



DRIVING FORWARD TOGETHER



Q1 2023 Results
Friday, April 28, 2023

TOROMONT

Advisory

Information in this presentation that is not a historical fact is "forward-looking information". Words such as "plans", "intends", "outlook", "expects", "anticipates", "estimates", "believes", "likely", "should", "could", "would", "will", "may" and similar expressions are intended to identify statements containing forward-looking information. Forward-looking information in this presentation 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 presentation 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; inflationary pressures; 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 or other payments in respect of registered defined benefit pension plans or postemployment benefit plans 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 presentation. 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.

Recent Events



Subsequent event sale of AgWest Ltd., a wholly-owned subsidiary, on April 17, 2023.

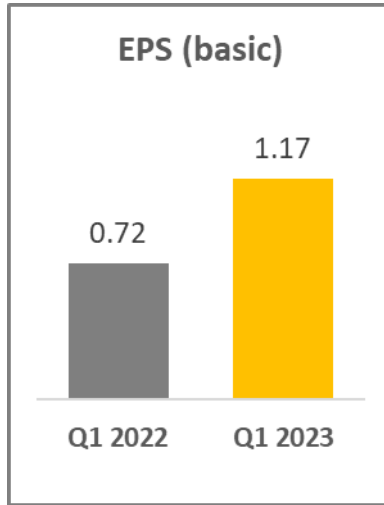
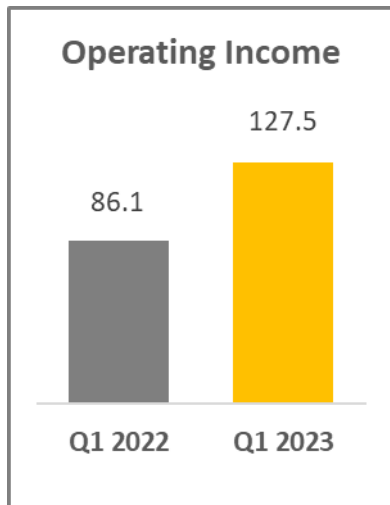
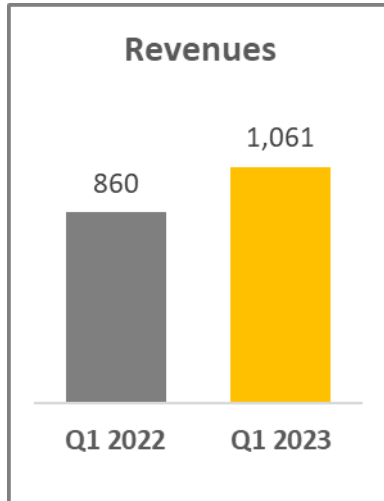
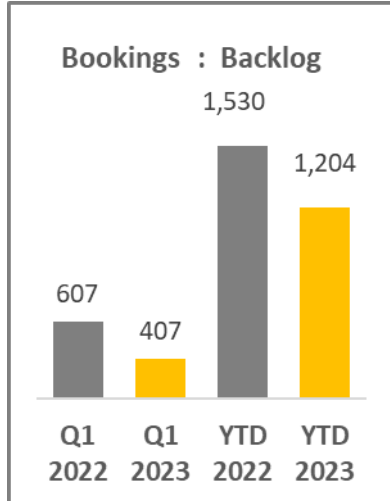
- Closing effective May 1, 2023, as a share and asset transaction sale agreement.
- Proceeds will be paid in cash and are subject to customary post-closing adjustments.
- AgWest is reported in the Equipment Group.
- This transaction is not expected to have a material impact on Toromont's overall future operations, revenue or earnings.

Q1 Highlights

- **Solid Q1 results** on strong execution from our teams, supported in part by a solid opening order backlog
- **Equipment Group – prime product delivery** better on deliveries of several large customer orders, **rental and product support** reported strong market activity levels, fleet utilization & technician headcount
- **CIMCO – Product support** activity increased and **package deliveries** improved on advancement of project construction
- **Operational leverage & efficiencies** contributing to the bottom line; persistent inflationary pressures continue
- A **property disposition in Q1** resulted in a \$3.1 million after-tax gain (or \$0.04/share)
- **Backlog down 21% at \$1.2 billion Y/Y** while **Q1 Order bookings lower 33%**. Q1 2022 was a tough comparable with several large orders coupled with current macroeconomic factors.
- **Financial position remains strong** - liquidity well-positioned to support customer requirements & growth opportunities
- **Team** continues to execute safely in support of customer needs

Financial Summary

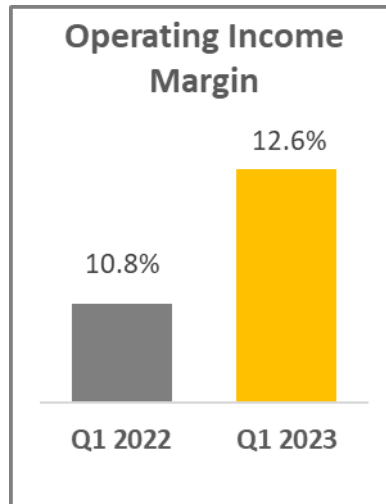
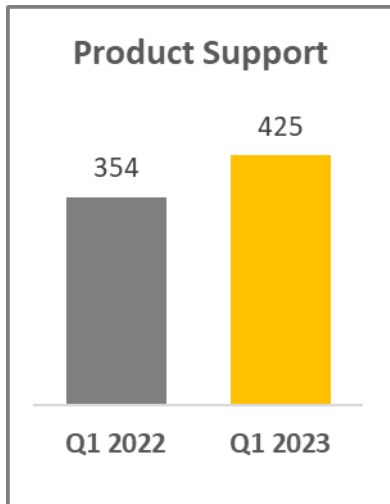
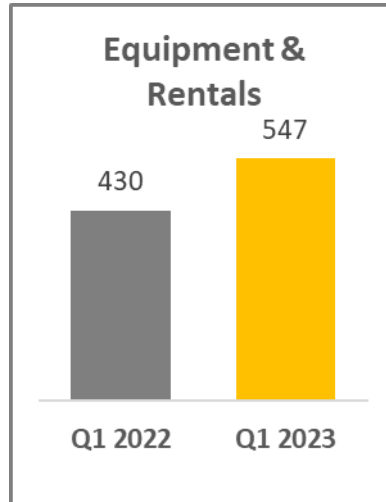
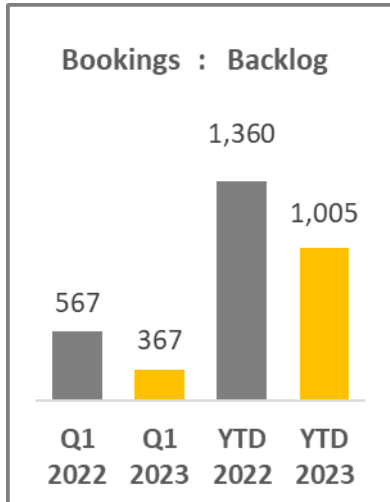
Financial Data in \$ million, EPS in \$ per share



- **Backlog remains healthy** – Equipment Group down 26% and CIMCO up 17%
- **Revenue +23% in Q1**
 - **Equipment sales** +33%
 - **Product Support** +19%
 - **Rental revenue** +6%
- **Expenses** were +8% in Q1
 - **Gain on disposition of property** – \$3.5 million (pre-tax)
 - Higher planned compensation costs/staffing levels, annual increases & profit sharing accruals on higher income, partially offset by lower pension expense
 - **Bad debt** expenses +\$1.6 million on higher activity levels, aging and reflects the current economic environment
 - Higher DSU MTM adjustments +\$1.2 million
- **Operating Income** +48% in Q1 reflecting higher revenue and lower relative expenses
- **Interest Income** +\$7.9 million
- **Net Earnings** +61% in Q1 or \$36.5M
- **Basic EPS of \$1.17** +63% in Q1

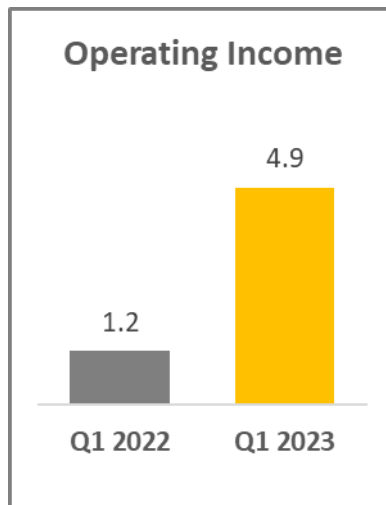
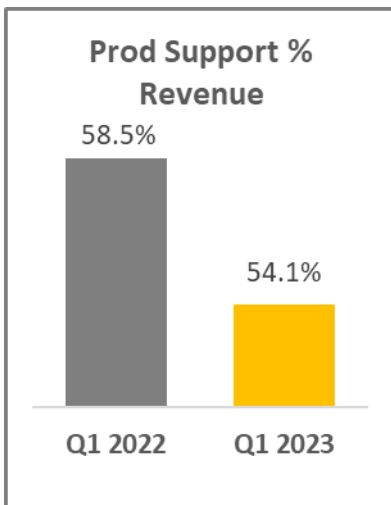
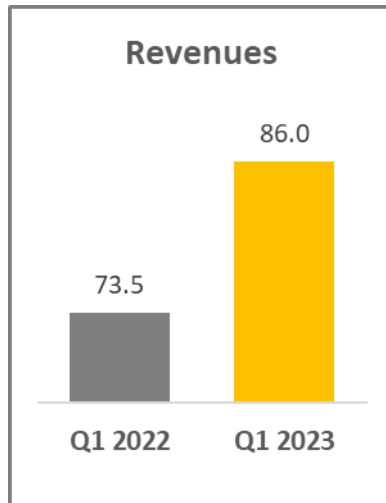
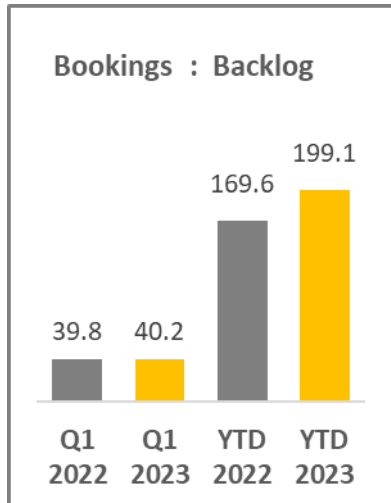
Equipment Group

Financial Data in \$ million



- **Bookings** -35% in Q1 reflecting a tough comparable, with several large specific customer orders, as well as, an extended period of strong activity LY
- **Backlog** -26% YoY reflecting improving equipment delivery, as well as, planned deliveries against customer orders
- **Revenue** +24% in Q1
 - Total equipment revenue +33%
 - Rental +6%
 - Product Support +20%
- **Gross profit margins** -20 basis points in Q1
- **Expenses** +7% QTD
 - Property pre-tax gain of \$3.5 million
 - Higher planned compensation costs/staffing levels, annual increases, profit sharing accruals & DSU MTM adjustments, partially offset by lower DB pension expense.
 - Other expenditures up with higher activity levels, customer engagement & inflationary pressures
- **Operating Income** +44% in Q1 reflecting higher revenue, the property gain and lower relative expenses

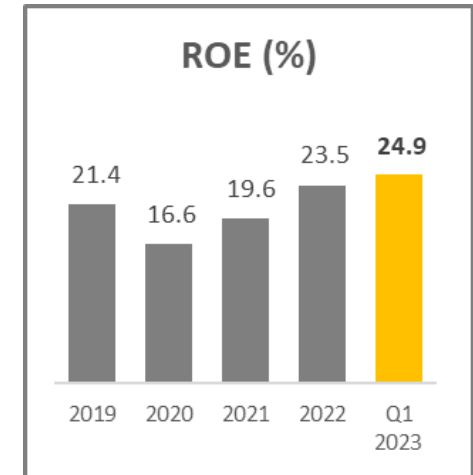
Financial Data in \$ million



- **Bookings +1% in Q1**
 - Rec market +23%, stronger bookings in the US; weaker in Canada
 - Industrial market -14% mainly on weaker orders in Canada
- **Backlog +17%** reflecting good order intake LY and deferral in construction schedules and equipment deliveries
- **Revenue +17% in Q1**
 - **Package Sales +29%** on the progression of large industrial projects
 - **Product Support +8%** activity levels continued to improve, with market conditions and increased labour capacity
- **Gross profit margins +340 basis points in Q1 vs 2022** on higher package and product support margins, partially offset by product support mix
- **Expense +12% in Q1** reflecting higher bad debt expense, travel and training expenses to support activity and planned staffing levels
- **Operating Income +\$3.7 million in Q1** reflecting higher revenue and improved gross margins

Financial Highlights

- **Working Capital** – significant increase in investment levels in Q1 2023; the team continues to exercise discipline and focus on customer requirements, market conditions, activity levels and evolving supply chain dynamics
 - **AR** – increase reflects revenue growth, focus on collection activities and credit metrics prioritized
 - **Inventories** – Increases relate to strong backlog, delivery timing, improving availability for both equipment and parts, higher activity levels, WIP completion, coupled with solid demand and inflation
- **Strong financial position** with **\$675 million** cash on hand, \$470 million in additional liquidity available through existing Credit Facilities
- **Net Debt to Total Capitalization ratio** of -1% versus -8% as at Q1 2022
- **Quarterly dividend** of \$0.43 cents per share
- **ROE improved to 24.9%** in Q1, exceeding our 5-year average of 20.7%
- **ROCE improved to 32.4%** in Q1 (Q1 2022 – 27.4%)



Key Takeaways Leading into Q2

- Expecting the business environment to gradually improve, however a number of factors are at play:
 - Dynamics of the supply chain and improving availability
 - Inflationary & macro-economic trends
 - Balancing customer credit risk in light growth opportunities
- **Our focus areas:**
 - Execute safely
 - Serve and support our customer requirements
 - Disciplined focus on building our business for the future (leverage operating model & managing risks)
- **Backlogs** remain well positioned, as bookings are shifting toward pre-pandemic levels – careful monitoring of customer buying patterns
- **Technician hiring** is a key priority, we made progress in 2022 and it remains an essential focus to support the growing customer demand for our products and services
- **Operationally and Financially, we are well positioned** with ample liquidity and our strong leadership teams, disciplined culture and focused operating models
- **Thank-you** to our customers, our people, our supply partners and our shareholders for your continued support

2023 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>
Q2 2023	July 26, 2023	July 27, 2023	8:00 AM
Q3 2023	October 30, 2023	October 31, 2023	8:00 AM
Fiscal 2023	February 13, 2024	February 14, 2024	8:00 AM

Other Events and Filings	Date	Time
2023 Annual General Meeting	April 28, 2023	10:00 AM <i>EST</i>



THANK YOU

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