DRIVING FORWARD TOGETHER

Q3 2023 Results

Tuesday, October 31, 2023

TOROMONT

Advisory

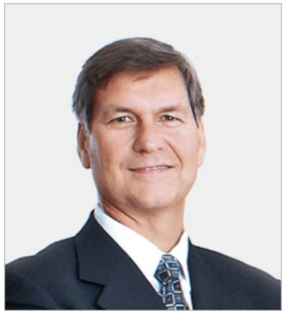
Information in this presentation that is not a historical fact is "forward-looking information". Words such as "plans", "intends", "outlook", "expects", "anticipates", "estimates", "believes", "likely", "should", "could", "would", "will", "may" and similar expressions are intended to identify statements 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.

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 COVID-19 or a potential new world health issue; increased regulation of or restrictions placed on our businesses; 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, including reduction or disruption in supply or demand for our products stemming from external factors; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability and cost of financing; level and volatility of price and liquidity of Toromont's common shares; potential environmental liabilities and changes to environmental regulation; information technology failures, including data or cybersecurity breaches; failure to attract and retain key employees as well as the general workforce; 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; increased insurance premiums; and risk related to integration of acquired operations including cost of integration and ability to achieve the expected benefits. Readers are cautioned that the foregoing list of factors is not exhaustive.

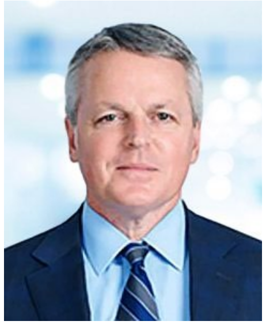
Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included in this MD&A. For a further description of certain risks and uncertainties and other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

Effective October 15, 2023



Scott Medhurst



Mike McMillan
President & Chief Executive Officer
Board Director

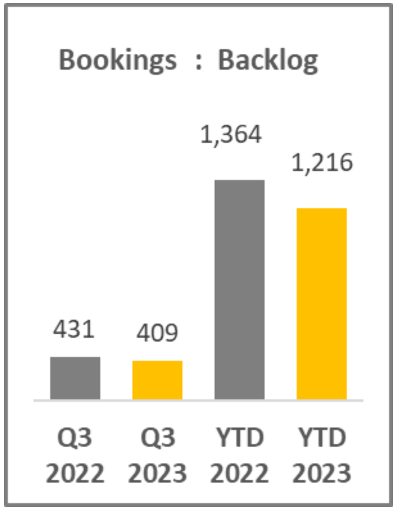
John Doolittle
Executive Vice President & Chief Financial Officer

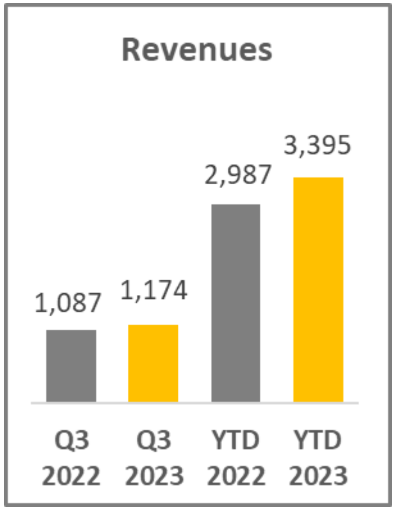
Q3 Highlights

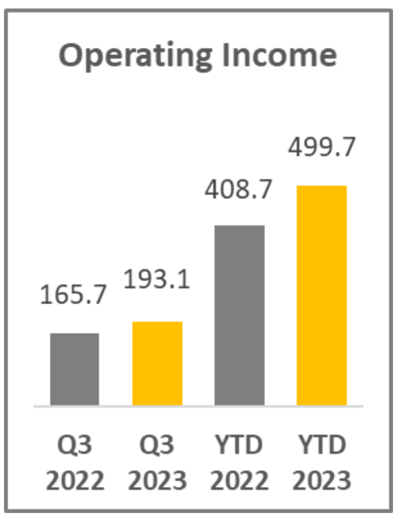
- **Q3 results** reflected good execution on new equipment deliveries against order backlog and favourable operating leverage
- **Equipment Group** – **prime product delivery** executed well on deliveries of several large customer orders, despite some softening in demand for equipment in the construction markets, **rental and product support** reported strong market activity & technician headcount
- **CIMCO** – **Package deliveries** improved on advancement of project construction and improved execution **product support** activity continued to increase
- **Operational leverage & efficiencies** contributing to the bottom line; persistent inflationary pressures continue
- **Backlog of $1.2 billion down 11% Y/Y** while **Q3 Bookings down 5% (YTD up 5%)**, a reflection of improving availability, factors overriding normal seasonality and some caution in buying.
- **Financial position remains strong** - liquidity well-positioned to support customer requirements & growth opportunities
- **Team** continues to execute safely in support of customer needs

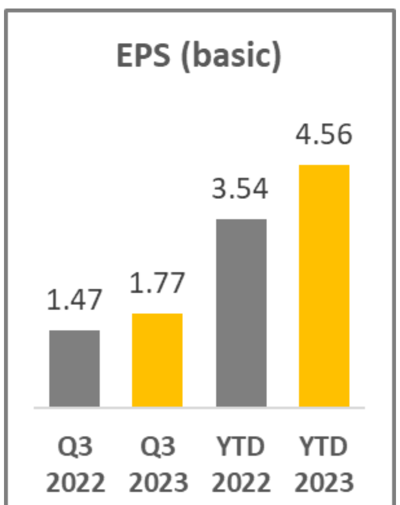
Financial Summary (continuing operations)

Financial Data in $ million, EPS in $ per share





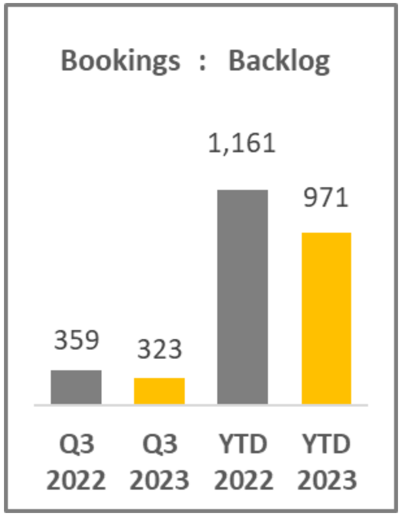


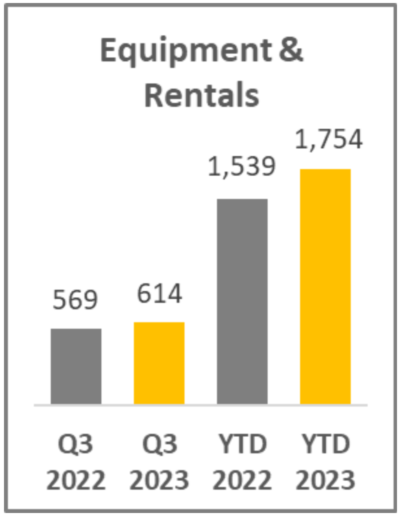


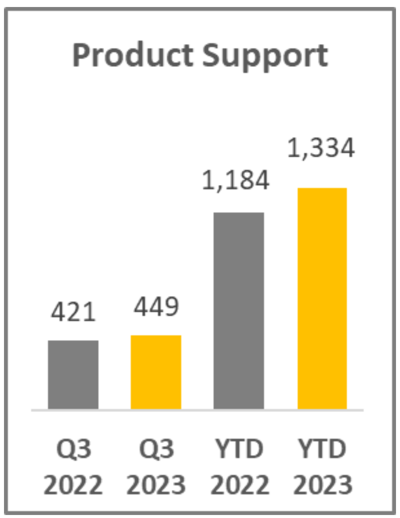
- **Bookings -**5% in Q3 (YTD +5%) on good demand
- **Backlog remains healthy at $1.2 billion**– Equipment Group down 16% and CIMCO up 21%
- **Revenue** +8% in Q3 (YTD +14%)
    - **Equipment sales** +7% in Q3 (YTD +15%)
    - **Product Support** +9% in Q3 (YTD +13%)
    - **Rental revenue** +11% in Q3 (YTD +8%)
- **Expenses** were +5% in Q3 (YTD +7%)
    - **Gain on disposition of property** YTD $3.5 million (pre-tax)
    - Higher planned compensation costs & profit sharing accruals on higher income, partially offset by lower pension expense
    - **Bad debt** expenses -$0.6 million (YTD -$4.3M) on improved aged receivables
    - Higher DSU MTM adjustments +$1.0M (YTD +$1.9M, versus $3.2M recovery in 2022)
- **Operating Income** +17% in Q3 & +22% YTD reflecting higher revenue higher gross margins and lower relative expenses
- **Interest Income** +$5.0M in Q3 & +$19.8M YTD
- **Net Earnings** +21% in Q3 or $25.1M (YTD +29% to $375.1M)
- **Basic EPS of $1.77** +20% in Q3 (YTD **$4.56** +29%) from continuing operations

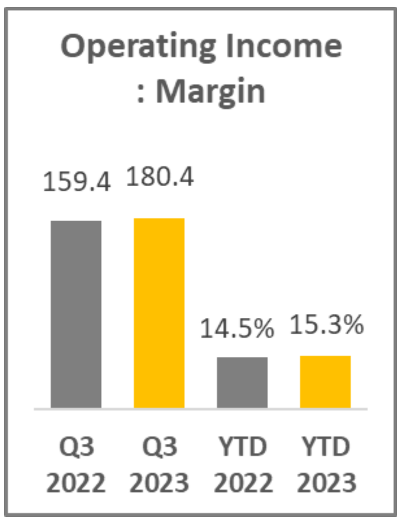
Equipment Group (continuing operations)

Financial Data in $ million









- **Bookings** -10% in Q3 (YTD +4%) after a stronger start to the year, also reflecting continued caution with respect to the current economic environment.
- **Backlog** -16% YoY reflecting improving equipment delivery, as well as, planned deliveries against customer orders
- **Revenue** +7% in Q3 (YTD +13%)
  - Total equipment revenue +7% in Q3 (YTD +16%)
  - Rental +11% in Q3 (YTD +8%)
  - Product Support +7% in Q3 (YTD +13%)
- **Gross profit margins** 40 basis points in Q3 (flat YTD)
- **Expenses** +3% QTD (YTD +6%)
  - Property pre-tax gain of $3.5 million YTD
  - Higher planned compensation costs, profit sharing accruals & DSU MTM adjustments, partially offset by lower DB pension expense.
  - Bad Debt expense down $0.8M QTD and $5.6M YTD on good collections and improved aged receivable balances
  - Other expenditures up with higher activity levels, customer engagement & inflationary pressures
- **Operating Income** +13% in Q3 (YTD +19%) reflecting higher revenue, gross margins, the property gain and partially offset by the higher expenses

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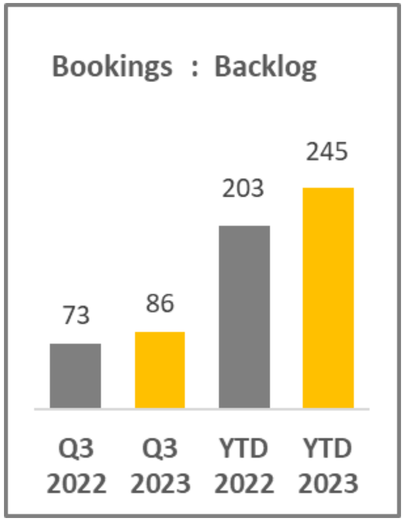
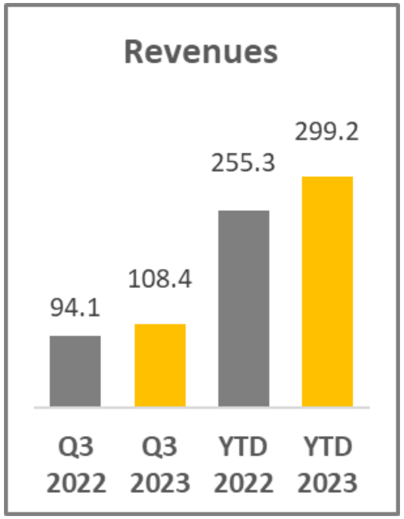
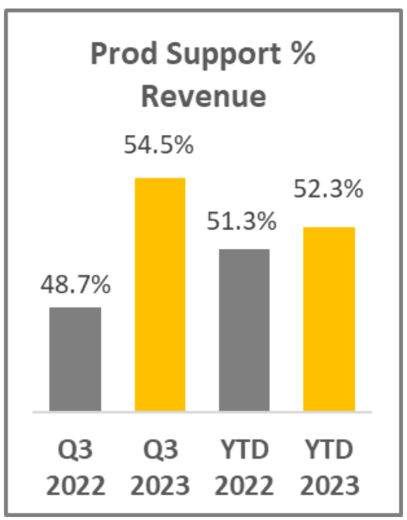
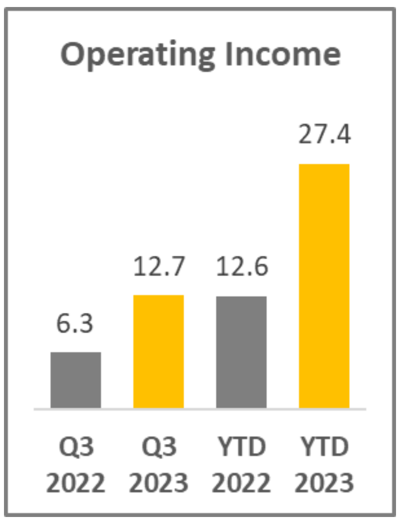
CIMCO

Financial Data in $ million





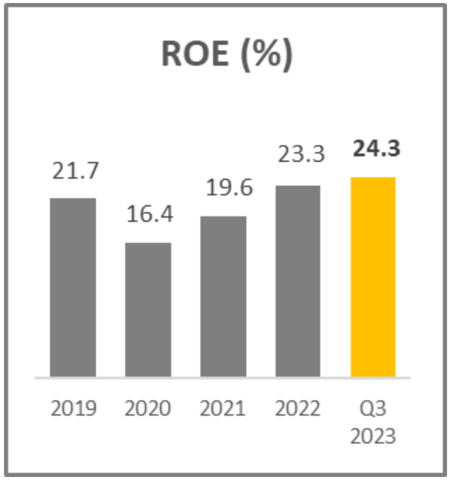




- **Bookings** +18% in Q3 (YTD +17%)
  - Industrial market +20% (YTD +29%) stronger in Canada offset by weaker US activity (against a tough comparable)
  - Rec market +14% (YTD -3%) stronger in the US & weaker in Canada
- **Backlog** +21% reflecting good order intake LY and deferral in construction schedules and equipment deliveries
- **Revenue** +15% in Q3 (YTD +17%)
  - **Package Sales** +2% QTD (YTD +15%) on the progression of large industrial projects
  - **Product Support** +29% QTD (YTD +20%) activity levels continued to improve and increased labour capacity
- **Gross profit margins** +500 basis points in Q3 (YTD +350 bps) vs 2022 on higher package and product support margins, and a favourable product support sales mix
- **Expense** +16% in Q3 (YTD +12%) reflecting higher allowance for doubtful accounts, travel and training expenses to support activity and planned staffing levels
- **Operating Income** +$6.3M in Q3 (YTD +$14.8M) reflecting higher revenue, good execution and improved gross margins

Financial Highlights

- **Working Capital –** significant increase in investment levels in Q3 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 $807 million cash on hand, $460 million in additional liquidity available through existing Credit Facilities
- **Net Debt to Total Capitalization ratio** of -7% versus -6% as at Q3 2022
- **NCIB** was renewed during the quarter. Year-to-date we repurchased and cancelled 238,000 shares, or capital of approximately $25.0 million
- **Quarterly dividend** of $0.43 cents per share
- **ROE improved to 24.3%** in Q3, exceeding our 5-year average of 20.7%
- **ROCE improved to 31.5%** in Q3 (Q3 2022 – 30.4%)



Key Takeaways Leading into Q4 2023

- Expecting the business environment to be influences buy a number of factors that are at play, some of which are:
  - Dynamics of the supply chain and improving availability
  - Inflation, interest rates, macro-economic trends & geopolitical developments
  - 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 continue to reflect economic conditions – we continue to carefully monitor customer buying patterns
- **Technician hiring** is a key priority 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

Upcoming Schedule of Events

All dates and times are preliminary and subject to change

Quarter	Release Date *After market close*	Investor Call Date	Investor Call Time *Eastern*
Fiscal 2023	February 13, 2024	February 14, 2024	8:00 AM
Q1 2024	May 1, 2024	May 2, 2024	8:00 AM

Other Events	Date	Time
2024 Annual General Meeting	May 2, 2024	10:00 AM *EST*

THANK YOU

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