

CONNECTING TOGETHER



Q1 2024 Results

Thursday, May 2, 2024

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.

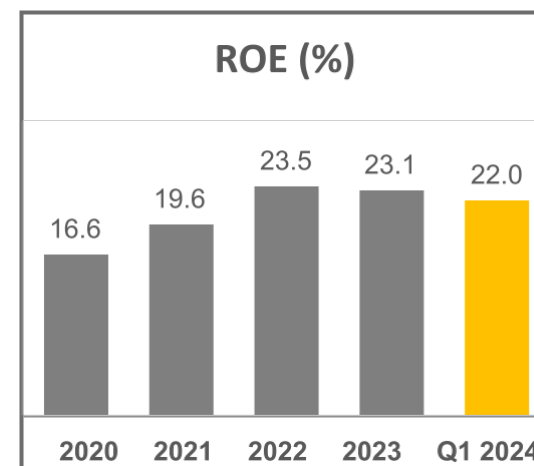
Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied in the forward-looking information and statements included herein. For a further description of certain risks and uncertainties and other factors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

Q1 Highlights

- **Q1 results** are lower against a stronger comparable period last year, not unexpected given the market factors experienced last year and the evolution toward more normalized supply and demand dynamics. Lower revenue, lower gross margins and higher expenses, were partially offset by the higher interest income on cash balances.
- **Equipment Group – Prime product delivery** is lower impacted by delays in customer deliveries, **rental** also lower, reflecting competitive markets and unfavourable weather conditions and **product support** reported good market activity & technician headcount.
- **CIMCO – Product support** activity continued to increase. **Package revenues** lower on delays in customer schedules.
- **Backlog of \$1.4 billion up 24% Y/Y**, reflecting good order intake, some deferrals or delays in construction and customer delivery schedules.
- **Q1 Bookings up 62%**, with increases in construction, mining and CIMCO.
- **Financial position remains strong** - liquidity well-positioned to support activity levels & growth opportunities.
- **Team** continues to execute safely in support of customer needs.

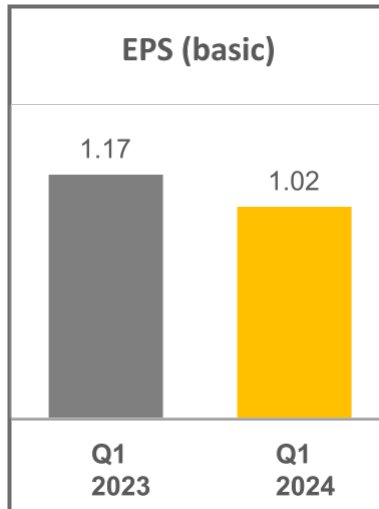
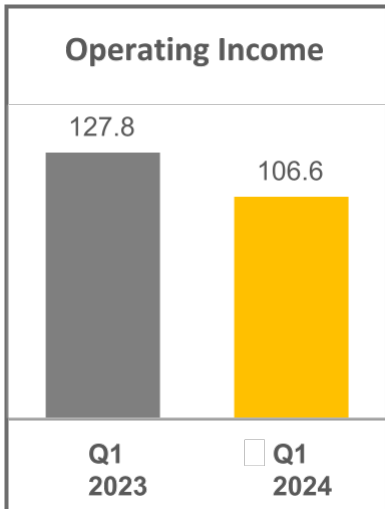
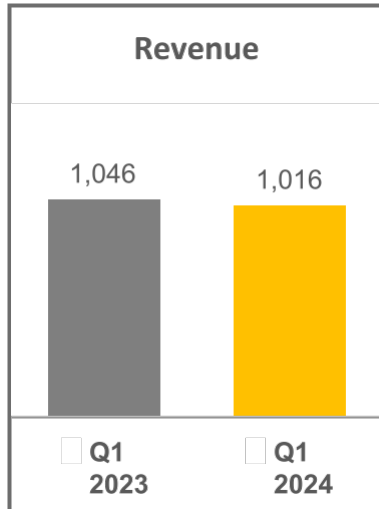
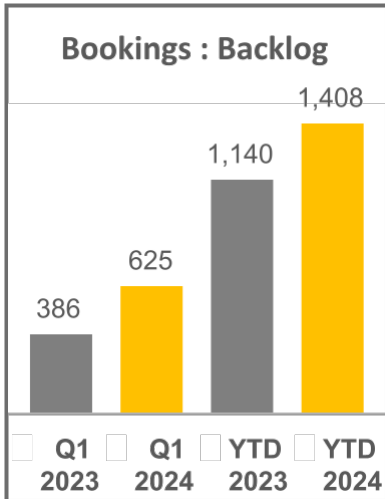
Financial Highlights

- **Working Capital** – increase in investment levels in Q1 2024 from December 2023; the team continues to exercise discipline and focus on customer requirements, market conditions, activity levels and evolving supply and demand dynamics
 - **Inventories** – Increases relate to delivery timing, price increases and foreign exchange rates on US sourced supplies, improving availability for both equipment and parts, generally higher activity levels and seasonality
 - **AR** – decreased reflecting lower trailing revenue on seasonality
- **Strong financial position** with **\$983 million** cash on hand, \$461 million in additional liquidity available through existing Credit Facilities
- **Net Debt to Total Capitalization ratio** of -14% versus -1% as at Q1 2023
- **NCIB** repurchased and cancelled 195,700 shares during the quarter (approximately \$25.0 million) (2023 – nil)
- **Quarterly dividend** of \$0.48 cents per share
- **ROE declined to 22.0%**, exceeds our 5-year average of 20.8%
- **ROCE declined to 29.0%** (2023 – 32.4%)



Financial Summary

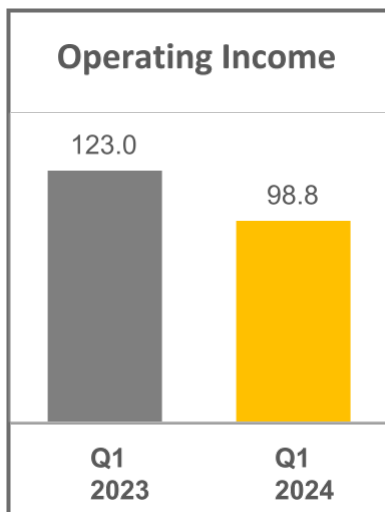
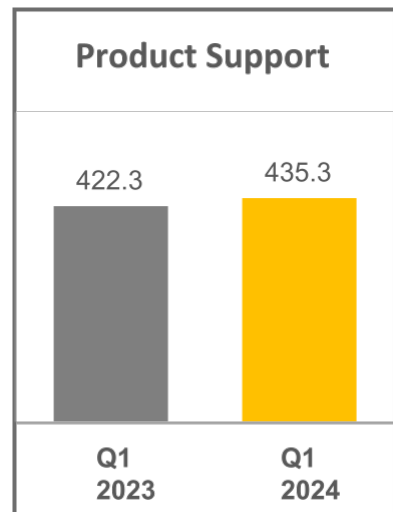
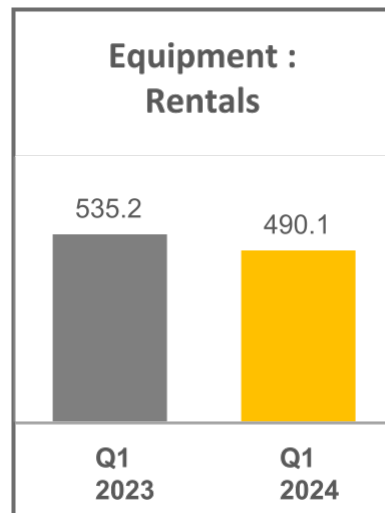
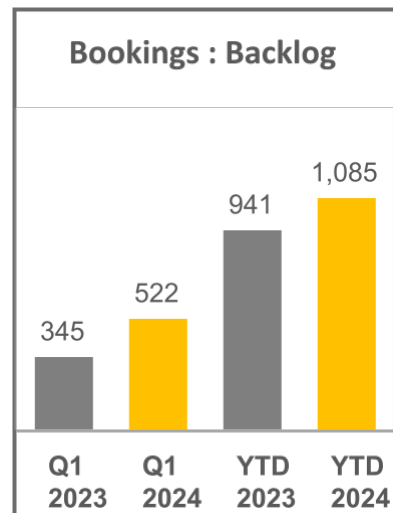
Financial Data in \$ million, EPS in \$ per share



- **Bookings** up 62% in Q1 on good demand in both the Equipment Group and CIMCO
- **Backlog remains healthy at \$1.4 billion** – Equipment Group +15% and CIMCO +62%
- **Revenue** down 3% in Q1
 - **Equipment sales** -10% in Q1
 - **Product Support** +4% in Q1
 - **Rental revenue** -3% in Q1
- **Expenses** increased 6% in Q1
 - Higher planned compensation costs/staffing levels, annual increases, partially offset by lower profit sharing accruals on lower income
 - **Allowance for doubtful debt** expenses -\$2.1 million on improved aged receivables and good collections
- **Operating Income** decreased 17% in Q1 reflecting lower revenue levels, lower gross margins & higher relative expenses
- **Interest Income** increased \$5.3M in Q1, reflecting cash balances & available rates
- **Net Earnings** decreased 13% in Q1 or -\$12.1M
- **Basic EPS of \$1.02** were 13% lower in Q1

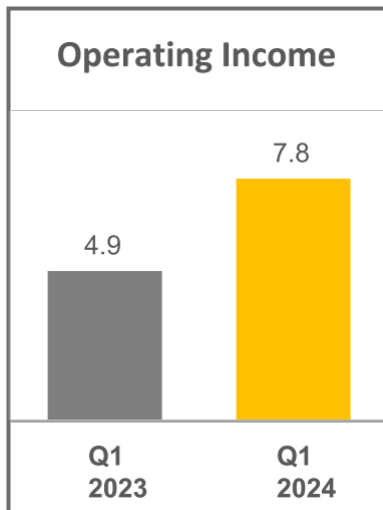
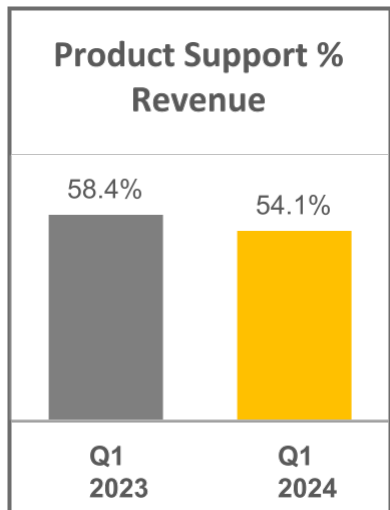
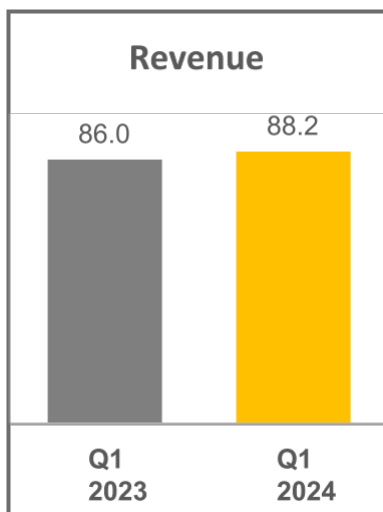
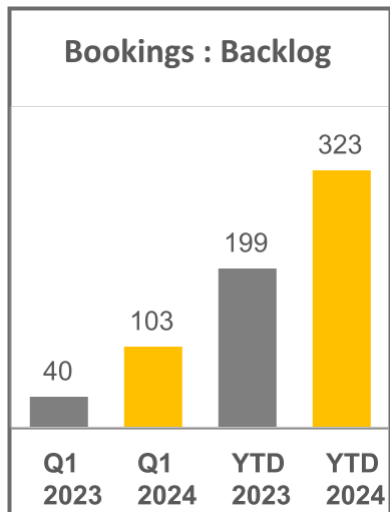
Equipment Group

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



- **Bookings** up 51% in Q1, on good order intake predominantly in the construction and mining sectors
- **Backlog** up 15% YoY, reflecting good order intake, some delays in customer deliveries, countered by improving equipment delivery from manufacturers
- **Revenue** declined 3% in Q1
 - Total equipment revenue -10% in Q1
 - Rental -3% in Q1
 - Product Support +3% in Q1
- **Gross profit margins** decreased 100 basis points in Q1
- **Expenses** increased 6% QTD
 - Higher planned compensation costs/staffing levels, annual increases, partially offset by lower profit sharing accruals on lower income
 - Other expenditures up with higher activity levels, customer engagement & inflationary pressures
- **Operating Income** decreased 20% in Q1, on the lower revenue, lower gross margins and higher relative expenses

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



- **Bookings** up 156% in Q1
 - Industrial market +194% activity stronger in both Canada (+152%) and the US (+275%)
 - Recreational market +119% stronger in Canada (+146%) & in the US (+88%)
- **Backlog** up 62% reflecting good order intake in the industrial market, along with a modest increase in the recreational market
- **Revenue** up 3% in Q1
 - **Package Sales** -7% QTD on the delays in equipment delivery and construction schedules
 - **Product Support** +11% QTD activity levels continued to improve along with increased labour capacity
- **Gross profit margins** up 450 basis points in Q1 vs 2023
 - Higher package and product support margins and a favourable product support sales mix
- **Expenses** up 10% in Q1
 - Higher planned compensation costs/staffing levels, annual increases and higher profit sharing accruals on higher earnings
 - Higher travel and training expenses to support activity
 - Allowance for doubtful accounts down \$1.6M on focused collections and improved aged receivable balances
- **Operating Income** increased \$3.0M in Q1
 - Reflecting improved gross margins and higher revenue

Key Takeaways Leading into Q2

- **Our key focus areas:**
 - Execute safely
 - Serve and support our customer requirements
 - Disciplined focus on building our business for the future (leverage operating model & managing risks)
- **Reman Bradford** development on track
- **Backlogs** remain healthy and **bookings** in quarter improved
- **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

2024 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 2024	July 30, 2024	July 31, 2024	8:00 AM
Q3 2024	November 4, 2024	November 5, 2024	8:00 AM
Fiscal 2024	February 11, 2025	February 12, 2025	8:00 AM

Other Events and Filings	Date	Time
2024 Annual and Special Meeting	May 2, 2024	10:00 AM <i>ET</i>



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