



For immediate release

TOROMONT ANNOUNCES 2018 RESULTS AND QUARTERLY DIVIDEND

Toronto, Ontario (February 14, 2019) - Toromont Industries Ltd. (TSX: TIH) today reported financial results for the three months and year ended December 31, 2018.

<i>millions, except per share amounts</i>	Three months ended December 31			Years ended December 31		
	2018	2017	% change	2018	2017	% change
Revenues	\$ 966.0	\$ 822.8	17%	\$ 3,504.2	\$ 2,350.2	49%
Operating income	\$ 121.6	\$ 86.6	40%	\$ 369.6	\$ 249.6	48%
Net earnings	\$ 84.9	\$ 59.1	44%	\$ 252.0	\$ 176.0	43%
Basic earnings per share ("EPS")	\$ 1.04	\$ 0.73	43%	\$ 3.10	\$ 2.22	39%

These results include the operations of the significant acquisition completed in October 2017. This transaction expanded Toromont's operations to include the Caterpillar dealerships for Quebec, the Maritime Provinces and Western Labrador and the MCFA lift truck dealership for Quebec and Ontario, in addition to other distribution rights. The acquired operations are collectively referenced as "Toromont QM or TQM" throughout this press release.

"Toromont delivered solid results in the fourth quarter and full year of 2018," said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group recorded growth across its expanded territory and in most revenue streams. CIMCO, coming off of a record year, continued to grow its product support business but faced specific challenges, which dampened their results."

Considering the Company's solid financial position and positive long-term outlook, the Board of Directors today increased the quarterly dividend by 17.4% to 27 cents per share. The next dividend is payable April 3, 2019 to shareholders of record at the close of business on March 8, 2019. Toromont has paid dividends every year since 1968 and this is the 30th consecutive year of dividend increases.

Highlights:

Consolidated results

- Net earnings in 2018 were \$252.0 million, up 43% from 2017, while basic EPS increased \$0.88 or 39% to \$3.10. Toromont QM achieved improved profitability and contributed \$64.1 million for the full year of operations under Toromont's ownership. Integration-related costs, largely related to interest expense on the acquisition financing, reduced net earnings by \$18.0 million.
- The following table identifies the components of contributions to the 2018 results versus last year:

<i>millions, except per share amounts</i>	Years ended December 31					
	Net earnings			Basic EPS ^(a)		
	2018	2017	% change	2018	2017	% change
Legacy Toromont ^(b)	\$ 205.9	\$ 175.6	17%	\$ 2.61	\$ 2.29	14%
Toromont QM ^(c)	64.1	8.3	nm	0.81	0.11	nm
Acquisition-related interest expense and integration-related costs ^(e)	(18.0)	(7.9)	nm	(0.23)	(0.10)	nm
Dilutive impact of acquisition shares ^(d)	-	-	-	(0.09)	(0.08)	nm
As reported	\$ 252.0	\$ 176.0	43%	\$ 3.10	\$ 2.22	39%

(a) Separately identifies impact of shares issued at acquisition for year-over-year comparability

(b) Defined as all businesses continuing from prior to the acquisition

(c) Defined as all businesses acquired October 27, 2017

(d) EPS impact of 2.2 million shares issued on acquisition to total net earnings

(e) Expenses shown net of taxes

- Legacy Toromont net earnings increased \$30.3 million or 17% with solid growth in the Equipment Group offsetting softer results at CIMCO. Net earnings growth mainly reflects higher margins and revenues in the legacy Equipment Group, together with a favorable impact of mark-to-market adjustments on Deferred Share Units on the lower share price (\$4.0 million after-tax).
- Net earnings for the fourth quarter were \$84.9 million, up 44% from 2017, while basic EPS increased \$0.31 or 43% to \$1.04. The following table identifies the components of contributions to the fourth quarter results versus last year:

<i>millions, except per share amounts</i>	Three months ended December 31					
	Net earnings			Basic EPS ^(a)		
	2018	2017	% change	2018	2017	% change
Legacy Toromont ^(b)	\$ 67.2	\$ 56.8	18%	\$ 0.85	\$ 0.72	18%
Toromont QM ^(c)	21.4	8.3	nm	0.27	0.11	nm
Acquisition-related interest expense and integration-related costs ^(e)	(3.7)	(6.0)	nm	(0.05)	(0.07)	nm
Dilutive impact of acquisition shares ^(d)	-	-	-	(0.03)	(0.03)	-
As reported	\$ 84.9	\$ 59.1	44%	\$ 1.04	\$ 0.73	43%

(a) Separately identifies impact of shares issued at acquisition for year-over-year comparability

(b) Defined as all businesses continuing from prior to the acquisition

(c) Defined as all businesses acquired October 27, 2017

(d) EPS impact of 2.2 million shares issued on acquisition to total net earnings

(e) Expenses shown net of taxes

- Legacy Toromont, net earnings increased \$10.4 million or 18% on growth in the Equipment Group, partially offset by lower earnings from CIMCO. Net earnings growth mainly reflects higher margins and revenues in the legacy Equipment Group, together with a favorable impact of mark-to-market adjustments on Deferred Share Units on the lower share price (\$2.8 million after-tax).

Equipment Group

- Revenues were up \$1.1 billion to \$3.2 billion for the year. Toromont QM contributed \$1.3 billion for the year versus \$242.6 million for the two months last year. Against a tough prior year comparator, which included the delivery of a large mining package in 2017, legacy Toromont revenues were up \$102.5 million or 6% on growth across most revenue streams.
- Operating income⁽¹⁾ was up \$129.1 million for the year. In the legacy Equipment Group, operating income increased \$42.3 million or 20% and was up 160 basis points (“bps”) as a percentage of revenues (13.7% versus 12.1%), largely reflecting higher margins on the higher revenues, partially offset by a relatively higher expense ratio.
- For the fourth quarter, revenues were up \$147.9 million to \$873.9 million. Toromont QM contributed an incremental \$114.1 million while the legacy Equipment Group revenues increased \$33.8 million or 7% with increases across most revenue streams.
- Operating income was up \$40.3 million in the quarter. In the legacy Equipment Group, operating income increased \$13.5 million or 20% and was up 170 bps as a percentage of revenues to 15.6%, for similar reasons outlined above for the full year results.
- Bookings⁽¹⁾ in 2018 increased \$524.0 million to \$1.5 billion largely due to \$508.0 million of incremental bookings at Toromont QM. Bookings in the legacy businesses increased 2% due to a large power systems order, together with higher construction and agriculture orders, offset by the impact of the large mining order in 2017. Fourth quarter bookings were up \$95.0 million to \$423.0 million, \$80.0 million of which related to incremental orders at Toromont QM. Backlogs⁽¹⁾ increased \$15.0 million or 5% to \$342.0 million, most of which is expected to be delivered in 2019.

CIMCO

- Revenues for the year increased \$24.9 million or 8% to a record \$343.1 million. Package revenues increased in Canada, but were lower in the US following a record 2017. Sales into industrial market segments were strong in both Canada and the US, while recreational markets were down. Product support revenues increased in both Canada and the US.
- Operating income was lower by \$9.1 million or 30% in 2018, mainly due to an inventory write-down of \$6.0 million and execution issues on one US-based project (\$2.9 million). Operating income margin⁽¹⁾ was 6.0% for the year.
- For the fourth quarter, revenues were down \$4.6 million or 5% to \$92.2 million. Product support growth in both Canada and US were more than offset by lower package revenues in both countries.
- Operating income was lower by \$5.3 million or 47% in 2018, due to the aforementioned inventory write-down.
- Bookings of \$185.0 million for the year were lower by \$48.0 million versus the record levels achieved in 2017. Fourth quarter bookings were up \$11.0 million or 44% on

strong orders in both Canada and the US. Backlogs of \$113.0 million at December 31, 2018 were also lower against the all-time high set in 2017. Substantially all of the backlog is expected to be realized as revenue in 2019.

Financial Position

- Toromont continued to produce superior shareholder returns, delivering increased dividends, a 22.3% return on opening shareholders' equity⁽¹⁾ and a 21.7% pre-tax return on capital employed⁽¹⁾.
- Toromont's share price of \$54.26 at the end of 2018, translates to a market capitalization⁽¹⁾ of \$4.4 billion and a total enterprise value⁽¹⁾ of \$4.7 billion.
- The Company maintained a very strong financial position. During the year, the Company repaid \$250.0 million drawn on a term credit facility last year to partially fund the acquisition of TQM. As a consequence, leverage, as represented by the net debt to total capitalization⁽¹⁾ ratio decreased to 18% at the end of December 31, 2018 from 40% at the end of December 31, 2017.

"Infrastructure projects and broader construction activity continue to present opportunities for Toromont's Equipment Group for equipment sales, product support and rentals. 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," continued Mr. Medhurst. "We enter 2019, a much stronger and cohesive team than this time a year ago. Supported by a strong balance sheet, we remain well positioned to continue building shareholder value."

Financial and Operating Results

All comparative figures in this press release are for the fourth quarter and fiscal year ended December 31, 2018 compared to the fourth quarter and fiscal year ended December 31, 2017. 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, 2018, 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 Friday, February 15, 2019 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-888-394-8218 (toll free) or 647-484-0475 (Toronto area). A replay of the conference call will be available until Friday, February 22, 2019 by calling 1-800-408-3053 or

905-694-9451 and quoting passcode 4049761#.

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 reflect 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 the registered funded defined benefit pension plans, postemployment benefits plan or the multi-employer pension plan obligations in which it participates in and acquired in excess of those currently contemplated. Risks and uncertainties related to the 2017 significant acquisition could also 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: changes in consumer and business confidence as a result of the change in ownership; the potential for liabilities assumed in the acquisition to exceed our estimates or for material undiscovered liabilities in the 2017 acquisition; the potential for third parties to terminate or alter their agreements or relationships with Toromont as a result of the acquisition; and risks related to integration of the acquired operations with those of Toromont 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 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 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.

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 Management's Discussion and Analysis (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."