# INVESTOR PRESENTATION

Scott Thomson, President and CEO
Mauk Breukels, VP Investor Relations


Toronto, Montreal
March 29-31, 2016

# Forward Looking Information

This report contains statements about the Company's business outlook, objectives, plans, strategic priorities and other statements that are not historical facts. A statement Finning makes is forward-looking when it uses what the Company knows and expects today to make a statement about the future. Forward-looking statements may include words such as aim, anticipate, assumption, believe, could, expect, goal, guidance, intend, may, objective, outlook, plan, project, seek, should, strategy, strive, target, and will. Forward-looking statements in this report include, but are not limited to, statements with respect to: expectations with respect to the economy and associated impact on the Company's financial results; workforce reductions; distribution network and goodwill impairment charges; facility closures; expected revenue; expected free cash flow; EBIT margin; expected range of the effective tax rate; ROIC; market share growth; expected results from service excellence action plans; anticipated asset utilization; inventory turns and parts service levels; the expected target range of the Company's net debt to invested capital ratio; and the expected financial impact from acquisitions. All such forward-looking statements are made pursuant to the 'safe harbour' provisions of applicable Canadian securities laws.

Unless otherwise indicated by us, forward-looking statements in this report reflect Finning's expectations at March 29, 2016. Except as may be required by Canadian securities laws, Finning does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from the expectations expressed in or implied by such forward-looking statements and that Finning's business outlook, objectives, plans, strategic priorities and other statements that are not historical facts may not be achieved. As a result, Finning cannot guarantee that any forward-looking statement will materialize. Factors that could cause actual results or events to differ materially from those expressed in or implied by these forward-looking statements include: general economic and market conditions; foreign exchange rates; commodity prices; the level of customer confidence and spending, and the demand for, and prices of, Finning's products and services; Finning's dependence on the continued market acceptance of products and timely supply of parts and equipment; Finning's ability to continue to improve productivity and operational efficiencies while continuing to maintain customer service; Finning's ability to manage cost pressures as growth in revenue occurs; Finning's ability to reduce costs in response to slowing activity levels; Finning's ability to attract sufficient skilled labour resources as market conditions, business strategy or technologies change; Finning's ability to negotiate and renew collective bargaining agreements with satisfactory terms for Finning's employees and the Company; the intensity of competitive activity; Finning's ability to raise the capital needed to implement its business plan; regulatory initiatives or proceedings, litigation and changes in laws or regulations; stock market volatility; changes in political and economic environments for operations; the integrity, reliability, availability and benefits from information technology and the data processed by that technology. Forward-looking statements are provided in this report for the purpose of giving information about management's current expectations and plans and allowing investors and others to get a better understanding of Finning's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this report are based on a number of assumptions that Finning believed were reasonable on the day the Company made the forward-looking statements. Refer in particular to the Outlook section of this MD&A. Some of the assumptions, risks, and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this report are discussed in Section 4 of the Company's current AIF.

Finning cautions readers that the risks described in the MD&A and the AIF are not the only ones that could impact the Company. Additional risks and uncertainties not currently known to the Company or that are currently deemed to be immaterial may also have a material adverse effect on Finning's business, financial condition, or results of operations.

Except as otherwise indicated, forward-looking statements do not reflect the potential impact of any non-recurring or other unusual items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date hereof. The financial impact of these transactions and non-recurring and other unusual items can be complex and depends on the facts particular to each of them. Finning therefore cannot describe the expected impact in a meaningful way or in the same way Finning presents known risks affecting its business.

*Monetary amounts are in Canadian dollars and from continuing operations unless noted otherwise*

# Finning Overview

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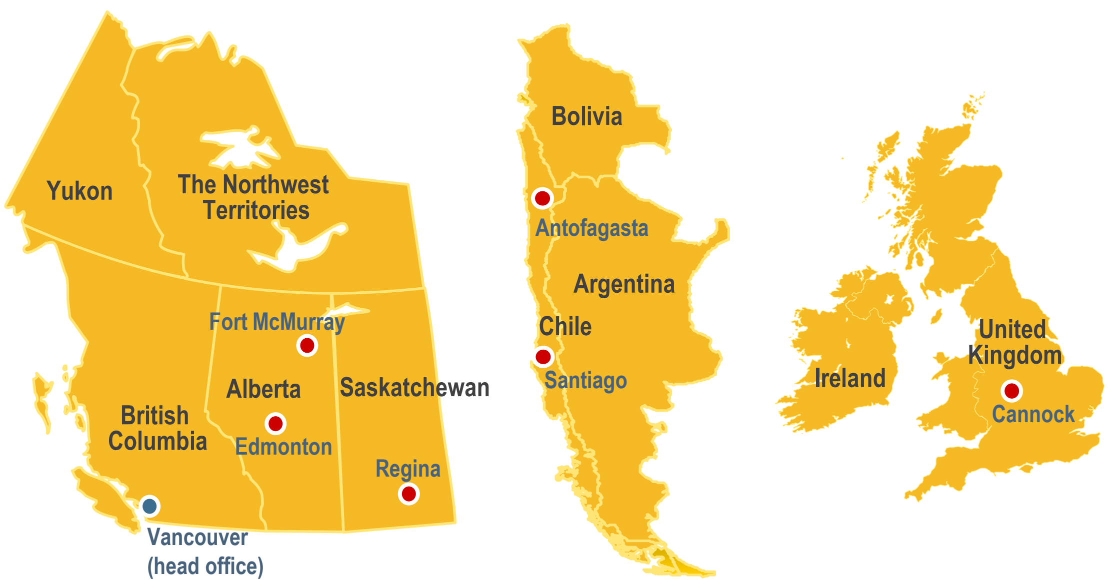
- World's largest Caterpillar dealer - selling, renting and providing parts and service for Caterpillar equipment and engines
- Serving customers for over 80 years and delivering value to public shareholders for over 45 years
- Operating in Western Canada; Chile, Argentina, Bolivia; and the UK and Ireland
- Main industries: mining (oil sands, copper, coal), construction, power systems (prime power, petroleum, marine), and forestry
- ~13,000 employees worldwide




**Market Statistics[1]**

| | |
|---|---|
| Ticker | FTT (TSX) |
| Share price | 18.96 |
| % 52-week high | 74% |
| Market Cap | 3.2B |
| Enterprise value | 4.4B |
| S&P/DBRS rating | BBB+/A(low) |
| Dividend yield | 3.9% |
| FCF yield[2] | 10.2% |

**2015 Financial Statistics**

| | |
|---|---|
| Revenue | 6.2B |
| EBITDA[3] | 604M |
| Free cash flow | 325M |
| Invested capital | 3.2B |
| Net debt to EBITDA ratio[3] | 2.0x |
| Basic EPS[3] | 1.29 |
| Annual dividend per share | 0.73 |
| Dividend 5yr CAGR | 9.1% |

(1) At Mar 23, 2016

(2) Last twelve months ended Dec 31, 2015

(3) Excluding significant items; see description of non-GAAP measures and significant items

# Compelling Value Proposition

FINNING

### Great products and territories

- Aligned with Caterpillar – world's best heavy equipment company
- Operating in high-quality regions with significant long-term growth opportunities

### Resilient business model and cost reductions support consistent EBITDA margin

- Machine population drives stable product support business
- Customer diversification across many sectors
- Cost discipline and decisive actions to navigate through market downturn
- Advancing operational priorities to transform the business for sustainable profitability
  - Customer loyalty[(1)] improved in all regions in 2015
  - Committed to improving return on invested capital longer term

### Significant free cash flow

- Committed to maintaining strong free cash flow conversion
- Solid balance sheet
- Safe dividend, attractive yield

(1) As measured by Net Promoter Score

# Transforming Canadian Business

## Progress in challenging environment

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| Operational Priorities | Commitments: ∆ 2013-2016 | Canada Progress Highlights |
|---|---|---|
| **Safety and Talent Management** | ▪ Safety excellence<br>▪ Right people in right roles<br>▪ Talent development | TRIF[1][2] ↓ 44% from Dec 2013 to 0.88 in Dec 2015 |
| **Supply Chain** | Consolidated inventory turns[1]:<br>↑ 0.5 – 0.9 times | Parts turns[1] ↑ 0.8 times from Dec 2013 to Dec 2015 |
| **Service Excellence** | Consolidated EBIT[1]:<br>↑ $40 – 60M | Service EBIT$ ↑ year over year in 2015 and 2014 |
| **Asset Utilization** | ▪ Optimize allocation of work<br>▪ Increase mining facilities utilization<br>▪ Capital allocation discipline | Footprint ↓ 20% from Dec 2014 to late 2016 |
| **Market Leadership** | ▪ Core market share ↑ 2-4 points[3]<br>▪ Parts market share ↑ 2-4 points[3]<br>▪ Power systems revenue ↑10-15%[3] | Core market share ↑ 2 points from Dec 2013 to Dec 2015 while industry ↓ sharply |

[1] See description of non-GAAP measures; [2] excludes Saskatchewan; [3] assuming no industry change, market share – consolidated, power systems revenue - Canada

# Sustainable Cost Structure

## Decisive actions to navigate downturn and transform business for long-term

### Workforce Reductions[1]

- ↓ 16% since December 2014
- ↓ 20% since peak (July 2013)

### Facility Optimization

2014 - 2016

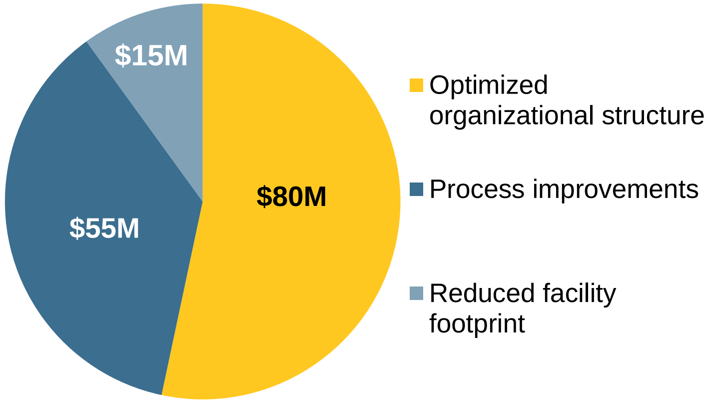
- Canada - 33 closures, footprint ↓ 20%
- South America - 11 closures
- UK and Ireland - 2 closures

### 2016 Focus

- Canada – return back to 6-7% EBIT margin
- South America – maintain margins
- UK & Ireland – restore historical profitability levels

### Canada's $150M SG&A Cost Savings

Non-volume related (2014 - 2016)




### Canada's Process Improvements

- Structural supply chain improvements (e.g. reduced freight costs)
- Service excellence (e.g. increased labour recovery)
- Procurement
- Service vehicle fleet

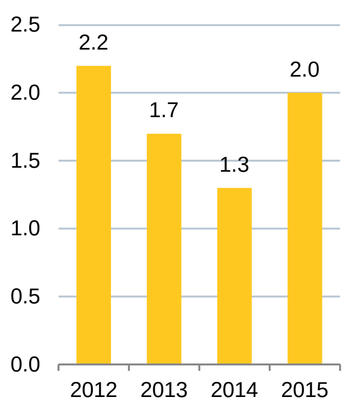
[1] Includes workforce reductions announced in February 2016

# Resilient Business Model

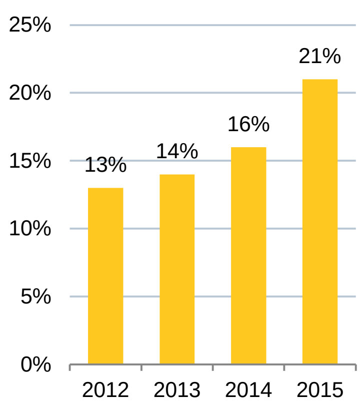
## Relatively consistent EBITDA(1) and strong cash flows conversion

| *$ millions, except where specified* | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|
| EBITDA(1) | 701 | 737 | 749 | 604 |
| Net rental expenditures | (93) | (73) | (35) | (24) |
| Net capital expenditures | (170) | (74) | (63) | (54) |
| | | | | |
| Free cash flow (FCF) | (37) | 441 | 483 | 325 |
| FCF conversion | (5)% | 60% | 64% | 54% |

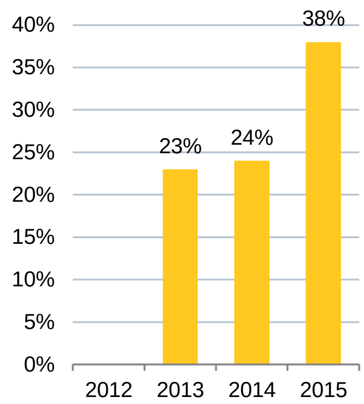
**Net debt to EBITDA ratio**




**Dividends as % of EBITDA**




**Dividends as % of FCF**




### Capital Discpline

- Rental investment flexible to market demand
- Any increase in capex is discretionary, based on market outlook and cash flow from working capital

### Working capital management

- Continued reduction of surplus inventory (timing and amount tied to industry activity)
- Inventory purchases tightly managed to market activity
- Supply chain improvements increase inventory turns

**Committed to maintaining FCF conversion rate by closely managing capex and working capital**

(1) Excluding significant items; see description of non-GAAP measures and significant items

# Construction Opportunities

## Selected Western Canadian infrastructure projects

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| Infrastructure Opportunities | Location | Completion | Estimated Cost ($B) |
|---|---|---|---|
| ***British Columbia*** | | | |
| LNG - Pacific Northwest/PETRONAS | Lelu Island | - | 10.0 |
| BC Hydro Site C Dam - Clean Energy Project | Ft. St. John | 2020 | 8.8 |
| LNG Export Terminal | Kitimat | - | 5.0 |
| George Massey Tunnel Replacement Project | Lower Mainland | 2022 | 3.0 |
| Roberts Bank Container Expansion Program | Lower Mainland | 2020 | 2.0 |
| Vancouver International Airport Upgrades | Lower Mainland | 2022 | 1.8 |
| Evergreen Rapid Transit | Lower Mainland | 2017 | 1.4 |
| ***Alberta*** | | | |
| Southwest Calgary Ring Road | Calgary | 2022 | 5.5 |
| Calgary Transit - Green Line | Calgary | 2024 | 5.0 |
| Fort McMurray West 500 kV Transmission Project | Edmonton-Ft. McMurray | 2019 | 3.2 |
| Edmonton Valley Line | Edmonton | 2020 | 1.8 |
| Anthony Henday Drive North East | Edmonton | 2016 | 1.8 |
| H.R. Milner Coal Plant Expansion | Grand Cache | 2018 | 1.5 |
| Great Spirit Power Project | Lake Wabamun | 2018 | 1.5 |
| *Additional $4.4B of funds to be allocated* | | | |
| ***Saskatchewan*** | | | |
| K&S Potash Mine | Moose Jaw | 2016 | 4.4 |
| Regina Bypass Project | Regina | 2018 | 2.1 |
| Mosaic Stadium | Regina | 2017 | 0.7 |
| *Additional $2.0B of funds to be allocated over 4 years* | | | |

| Pipeline Opportunities | Location | Timeline | Estimated Cost ($B) |
|---|---|---|---|
| Kinder Morgan, Trans Mountain Expansion Project (994km) - *oil* | Strathcona-Burnaby, AB-BC | 2017-2019 | 5.4 |
| Trans Canada, Prince Rupert Transmission Line (900km) - *natural gas* | Hudson Hope-Prince Rupert, BC | 2017-2018 | 5.0 |
| Trans Canada - Coastal Gas Link - *natural gas* | Dawson Creek-Kitimat, BC | 2016-2017 | 4.0 |
| TransCanada - Grand Rapids Oil - *oil* | Ft. McMurray-Edmonton, AB | 2015 - 2017 | 3.0 |
| Pembina - Phase 3 Expansion - *oil* | Fox Creek-Namao, AB | 2016 | 1.9 |
| Trans Canada, North Montney Mainline Project (305km) - *natural gas* | Ft. St. John, BC | 2017-2018 | 1.5 |
| Enbridge, Norlite (447km) - *oil diluent* | Ft. McMurray, AB | 2015 - 2017 | 1.5 |
| Trans Canada - Heartland Pipeline and Terminal Facilities - *oil* | Ft. McMurray-Sturgeon, AB | 2016 - 2017 | 1.1 |
| Trans Canada, Liege Lateral Loop (56km) - *natural gas* | Ft. McMurray, AB | 2016 | n/a |

Source: Top 100 Canada's Biggest Infrastructure Projects; Finning estimates

# Site C

## Finning to supply equipment for BC Hydro's Site C Clean Energy Project

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- Peace River Hydro Partners: ACCIONA Infrastructure Canada Inc., Petrowest Corporation, and Samsung C&T Canada Ltd.
- 160 pieces of equipment, including:
  - 35 Caterpillar 773 off-highway trucks
  - 50 Caterpillar 745 articulated trucks
  - Equipment condition monitoring technology
- Majority of equipment delivered in 2016
  - 60 pieces of equipment delivered in Q1 2016
- Anticipate significant parts and service volumes due to high utilization of primary fleet
- Project duration: 5-7 years


*Caterpillar 745 articulated truck*

# Key Takeaways

- Resilient business model and cost reductions support consistent EBITDA margin
- Expect weak Q1, then strengthening throughout the year
  - Only partial benefit from workforce reductions announced in February 2016
  - Seasonality - Q1 EBITDA margin consistently below annual EBITDA margin over past 4 years
  - Deliveries of large-size equipment in Canada, including Site C
- Committed to maintaining FCF conversion rate
- Strong balance sheet
- Safe dividend

# APPENDIX


Toronto, Montreal
March 29-31, 2016

# Non-GAAP Measures and Significant Items

- EBIT: earnings before finance costs and income taxes
- EBITDA: earnings before finance costs, income taxes, depreciation and amortization; EBITDA is commonly regarded as an indirect measure of operating cash flow
- Free cash flow (FCF): cash flow provided by (used in) operating activities less net additions to property, plant, and equipment and intangible assets
- Inventory turns = annualized cost of goods sold for the last six months divided by average inventory, based on an average of the last two quarters
- Net debt: short and long term debt, net of cash
- Parts turns = annualized cost of goods related to parts sold for the last six months divided by average parts inventory, based on an average of the last six months
- TRIF: total recordable injury frequency = (number of recordable injuries x 200,000) / exposure hours

| **Significant items impacting EBITDA** - *$ millions* | **2014** | **2015** |
|---|---:|---:|
| **EBITDA – reported** | **720** | **126** |
| Impairment of distribution network and goodwill | - | 338 |
| Facility closure and restructuring costs | - | 53 |
| Severance costs | 17 | 48 |
| Inventory and other asset impairments | - | 42 |
| FX and tax impact on devaluation of Argentine peso | - | 12 |
| ERP costs write-off in South America | 12 | - |
| Acquisition and disposal of businesses, net | - | (5) |
| Significant items recorded in depreciation and amortization | - | (10) |
| **EBITDA - excluding significant items** | **749** | **604** |