

# INVESTOR PRESENTATION

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3rd Annual Scotiabank ESG Conference and Sustainability Summit

May 26, 2021

# Finning Overview

- Largest Caterpillar dealer
- Unrivalled service since 1933
- Diversified by geography, customer base, product, and sector
- ~12,000 employees at March 31, 2021

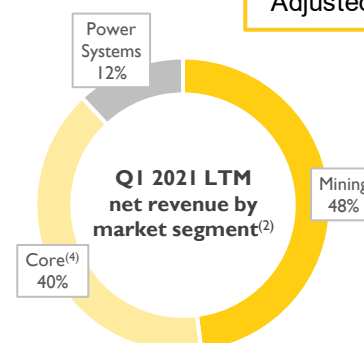
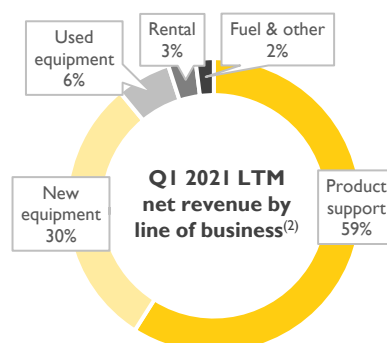
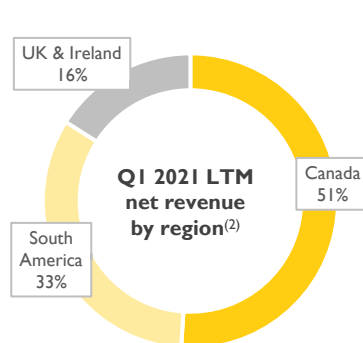


## Market Statistics<sup>(1)</sup> - FTT (TSX)

Share price	32.40
Market Cap	5.3B
S&P/DBRS rating	BBB+/high
Annual dividend / share	0.82
Dividend yield	2.5%

## 2021 Q1 LTM Financial Statistics<sup>(2)</sup>

Revenue	6.2B
Net revenue <sup>(3)</sup>	5.8B
EBIT	406M
EBITDA <sup>(3)</sup>	715M
Adjusted EBITDA <sup>(3)</sup>	636M
EPS	1.53
Adjusted EPS <sup>(3)</sup>	1.16
Invested capital <sup>(3)</sup>	3.2B
ROIC <sup>(3)</sup>	12.5%
Adjusted ROIC <sup>(3)</sup>	10.0%



<sup>(1)</sup> At May 21, 2021

<sup>(2)</sup> Last 12 months ended March 31, 2021

<sup>(3)</sup> This is a non-GAAP financial measure. See slide 8 for more information

<sup>(4)</sup> Core market segment includes construction, forestry, pipeline, quarrying, waste management, industrial services, public services, and agriculture

## Q1 2021 Highlights

### Equipment Backlog<sup>(3)</sup>

Q1 2021 vs Q4 2020



### HS2 Orders

In Q1 2021 backlog



### Construction Rebuilds

Canada, certified rebuilds

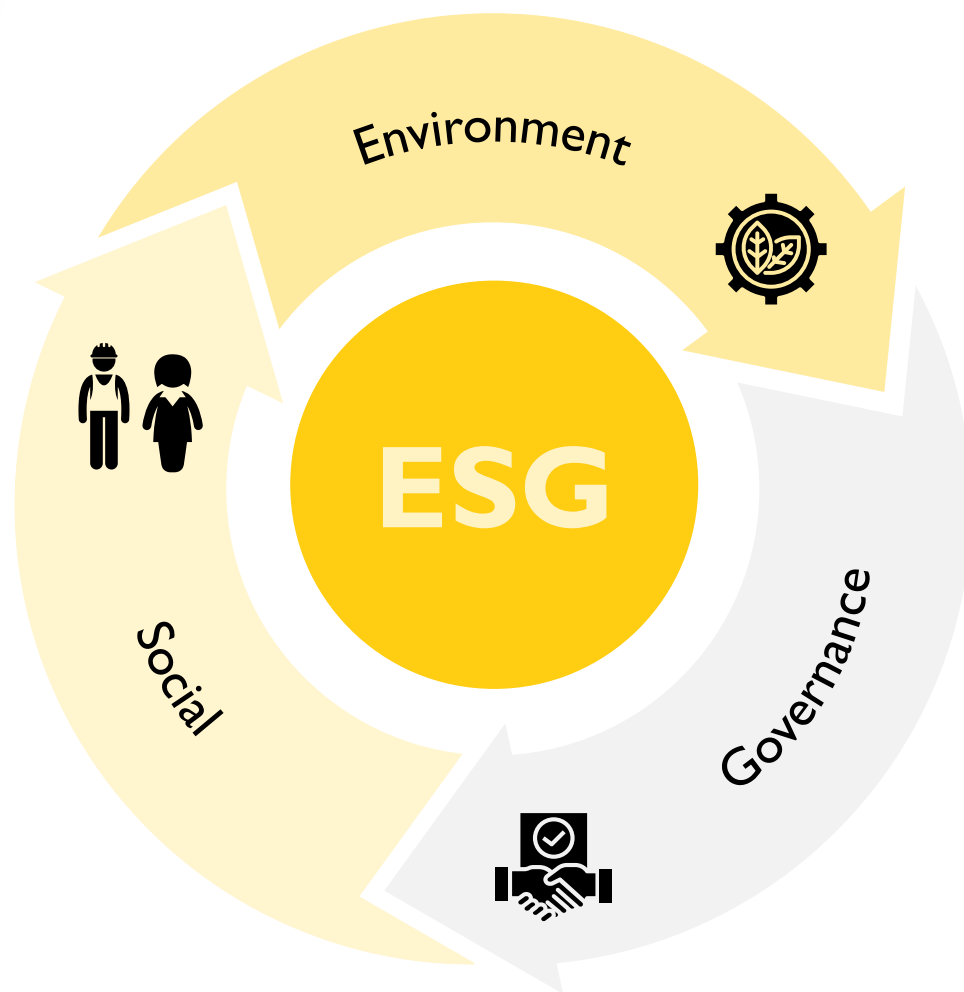


### GHG Emissions

Q1 2021 vs Q1 2020



# Sustainability at Finning



## ENVIRONMENT

- GHG emissions and energy use
- Waste management
- Spills and wastewater
- Customer safety, performance, and loyalty
- Product stewardship
- Responsible supply chain

## SOCIAL

- Safety and health
- Inclusion and diversity
- Employee development
- Labour relations
- Community investment

## GOVERNANCE

- Risk management
- Integrity and ethics
- Accountability
- Strong management team
- Cybersecurity

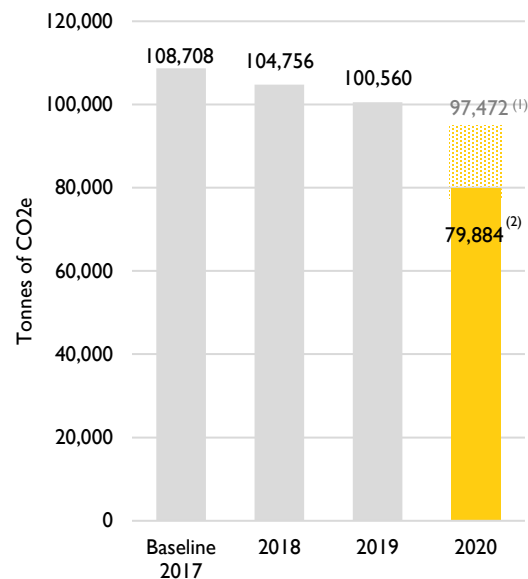


Visit our website for our 2020 Sustainability Report, which describes our alignment with GRI, SASB and TCFD frameworks and our target to reduce our absolute GHG emissions by 20% by 2027 from our 2017 baseline<sup>(1)</sup>



# Greenhouse Gas Emissions Reduction Initiatives

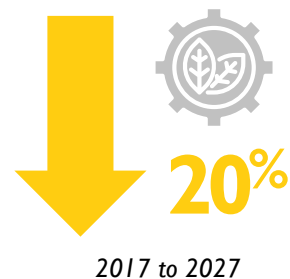
## Absolute GHG emissions



<sup>(1)</sup> Estimated emissions without business impacts of COVID-19, estimated based on 2019 actual emissions less emission reduction projects carried out in 2020.

<sup>(2)</sup> 2020 emissions are significantly lower due to business impacts of COVID-19. Some emissions are likely to return as business impacts lessen.

## Absolute GHG emissions reduction target<sup>(3)</sup>



## Emissions reduction initiatives

Tonnes CO<sub>2</sub>e avoided in 2020

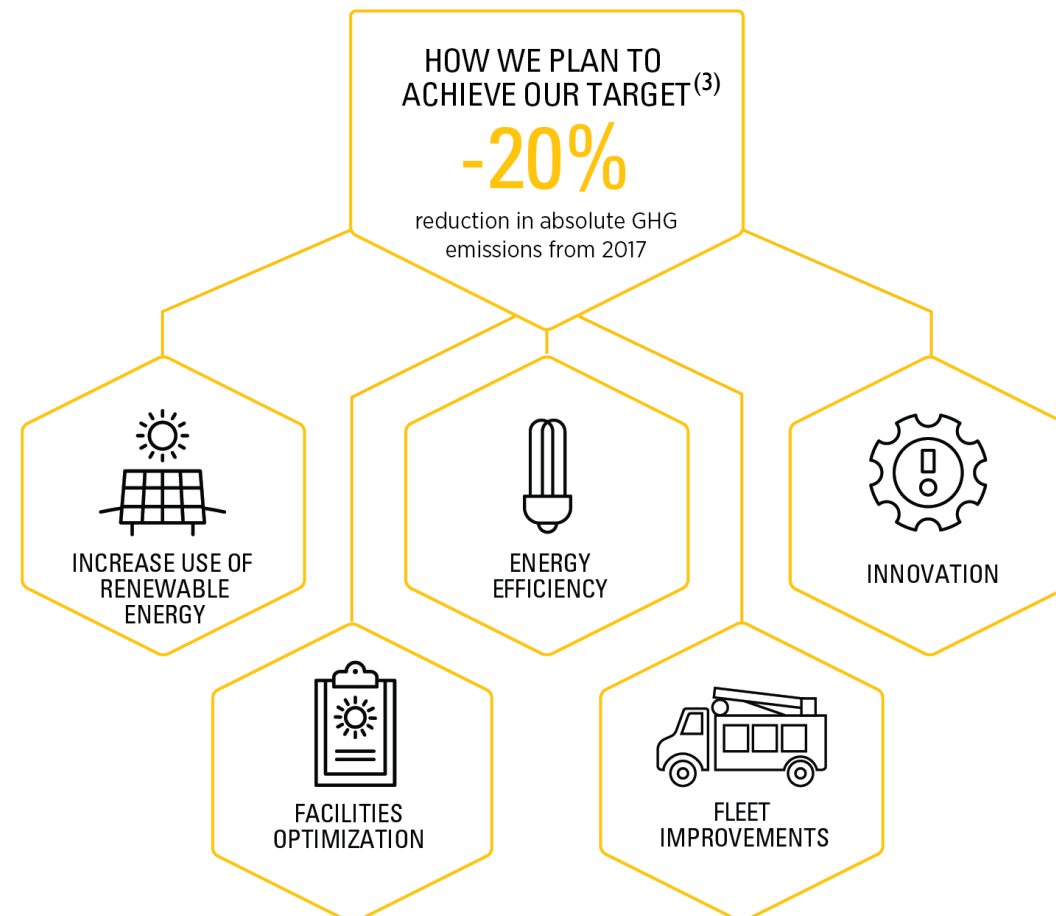
**1,068** Green Electricity

**916** LED Lighting

**681** Energy Conservation

**423** Fleet Efficiencies

## Drivers of lower emissions





# Helping Customers Reduce Environmental Footprint

## Component remanufacturing

### 2020 STATISTICS

**14,359** Components remanufactured

**↑ 12%** Increase in components remanufactured vs 2017

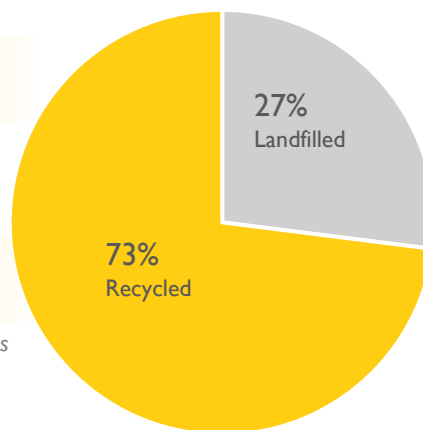
**2,903** Tons of metal recycled

Equivalent to 34 Boeing 747 airplanes



Scan to watch video

Non-Hazardous Waste  
by Disposal Type



## Caterpillar product portfolio

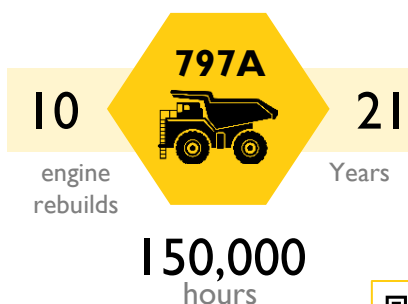
- Dynamic Gas Blending
- Autonomy
- Electrification
- Hydrogen Research
- CAT® Microgrids: Solar & energy storage systems



## Environmental benefits of remanufacturing

- Reduces waste
- Recycles thousands of tons of iron each year
- Reduces the need for raw material, energy, and water
- Extends the value of the energy and water consumed in the original manufacturing process
- Keeps non-renewable resources in circulation longer

OPERATING AT PEAK PERFORMANCE  
AT SYNCRUDE'S AURORA MINE



Scan to learn more

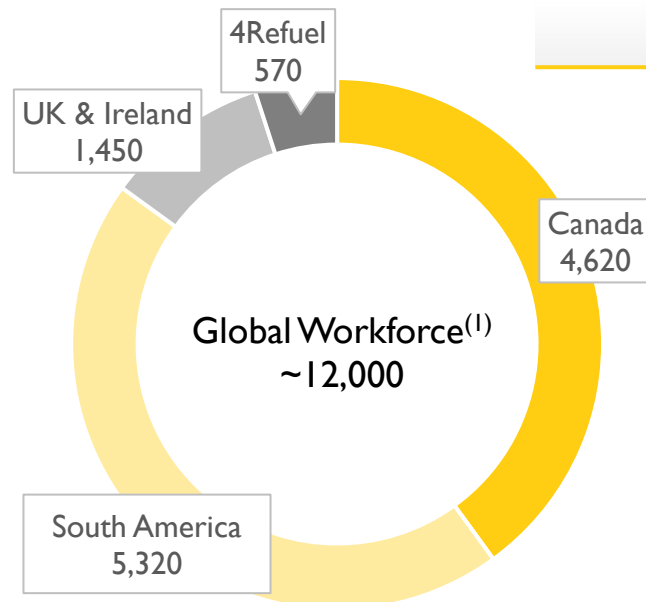
## Digital performance solutions



- Machine Condition Monitoring
- Integrated Knowledge Centres
- Improved Fleet Efficiencies

Fuel Consumption  
GHG Emissions

# Inclusion and Diversity



## Measuring and Promoting Workforce Diversity

  
**16% Women**  
as % of overall workforce

  
**~45%**  
Specialized tradespeople  
as % of our workforce

### Women in leadership roles 2020 statistics

Board	33%
Executive	21%
Senior level leaders	31%
Mid-level leaders	21%
Front level leaders	16%



Globe & Mail named Finning to its 2021 Women Lead Here list to recognize our gender diversity at the executive level

## Broadening Inclusion

*Indigenous Guiding Principles* guide us in recruitment, procurement, new business, strategic relations, and community investment

Planning to expand voluntary self disclosure options for employees in 2021<sup>(2)</sup>

Expanding leadership participation in Allies for Inclusion Community and establishing Employee Resource Groups

Continuous review of HR processes and programs to be more inclusive

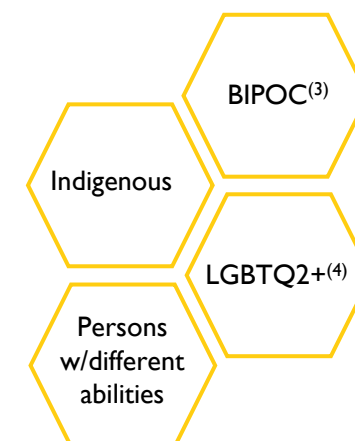
## Driving Leader Accountability

CEO sponsored global programming led by regional executives

100% of executive and >85% of senior leaders have a performance goal to ensure diverse and inclusive teams

Our Employee Experience Inclusive Culture Index exceeds manufacturing, construction, and high performing company norms

**9 points above**  
high performing company norm  
*2020 employee experience survey*



# Governance

## Strong Execution in a Challenging Year

### 2020 Achievements

Improved safety performance and customer loyalty	Reduced cost and improved productivity in Canada
Improved execution and profitability in South America	Strong free cash flow generation and balance sheet
Equipment and project wins in the UK & Ireland	

## Strong Governance

Risk management
Integrity and ethics
Accountability
Strong management team
Cybersecurity

## Ownership Requirements

Multiple of salary	
President and CEO	5.0
Executive Vice President	2.5
Senior Vice President	1.5
Vice President	1.0



~ 85%

% of employees in Canada who are shareholders

2020, excludes 4Refuel

## Selected Board and Governance Information

Size of board	12
Average age of directors	64
Number of independent directors	11
Separate chair and CEO	Yes
Independent chair	Yes
Average board tenure	6y, 4m
Code of Conduct for directors, officers, and employees	Yes
Stock ownership guidelines for directors and executive officers	Yes
Say on Pay advisory vote	Yes
Five-year average support of our approach to executive compensation	90.2%
Board Inclusion and Diversity Policy	Yes
In-camera sessions held with independent directors only at every Board and committee meeting	Yes

As at December 31, 2020. For more details about our Board, please refer to our most recent Management Proxy Circular.

# Disclosures

## Forward-looking information

This presentation includes “forward-looking information” (as defined in applicable Canadian securities legislation) that is based on expectations, estimates and projections that we believe are reasonable as of the date of this presentation, but may ultimately turn out to be incorrect. Forward looking information in this presentation includes our target to reduce our absolute GHG emissions by 20% by 2027 from our 2017 baseline on slides 3 and 4; how we plan to achieve our absolute GHG emissions reduction target on slide 4; and our plans to expand voluntary self disclosure options for employees in 2021. 2 and 3. No assurances can be given that the information in this presentation will result in sustained or improved financial or sustainability performance. This information has been provided to give information about our current expectations and plans and allow investors and others to get a better understanding of our sustainability efforts, and is accurate at the time of presentation, but may later be superseded by more current information. Except as required by law, we do not undertake any obligation to update the information.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors, and is based on a number of assumptions that we believe are reasonable as of the date of this presentation, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Assumptions on which the forward-looking information is based include but are not limited to assumptions that: we will be able to execute on our strategic plans, take advantage of growth opportunities, control our costs, drive continuous cost efficiency in a recovering market, respond to climate change-related risks and opportunities, and manage the impacts of COVID-19, and we are assuming an undisrupted market recovery, for example, undisrupted by COVID-19 impacts, commodity price volatility or social unrest. Additional important information identifying and describing these and other risks, uncertainties, assumptions and other factors is contained in our most recently filed annual information form (AIF) and in our most recent annual and quarterly management’s discussion and analysis of financial results (MD&A), which are available on our website ([www.finning.com](http://www.finning.com)) or under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

We caution readers that the risks described in the AIF and MD&A are not the only risks that could impact the company. We cannot accurately predict the full impact that COVID-19 will have on our business, results of operations, financial condition or the demand for our services, due in part to the uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, the steps our customers or suppliers may take in current circumstances, including slowing or halting operations, the duration of travel and quarantine restrictions imposed by governments of affected countries and other steps that may be taken by such governments to respond to the pandemic. Additional risks and uncertainties not currently known to us or that are currently deemed to be immaterial may also have a material adverse effect on our business, financial condition, or results of operations.

## Currency

Monetary amounts referred to in this presentation are in Canadian dollars unless noted otherwise. All variances and ratios in this presentation are based on the functional currency of each operation (Canada: CAD, South America: USD, UK & Ireland: GBP).

## Non-GAAP financial measures

This presentation includes certain “non-GAAP financial measures”, which are called out the first time they are used. The non-GAAP financial measures do not have a standardized meaning under International Financial Reporting Standards (IFRS) and therefore may not be comparable to similar measures presented by other issuers. For additional information regarding these financial metrics, including definitions and reconciliations from each of these non-GAAP financial measures to their most directly comparable measure under Generally Accepted Accounting Principles, where available, see the heading “Description of Non-GAAP Financial Measures and Reconciliations” in our most recent MD&A. We believe that providing certain non-GAAP financial measures provides users of our consolidated financial statements with important information regarding the operational performance and related trends of our business. By considering these measures in combination with the comparable IFRS measures set out in the MD&A, we believe that users are provided a better overall understanding of our business and financial performance during the relevant period than if they simply considered the IFRS measures alone.

Reported financial metrics may be impacted by significant items we do not consider indicative of operational and financial trends either by nature or amount. Financial metrics that have been adjusted to take into account these items are referred to as “Adjusted” metrics. For a description of these significant items, please refer to our quarterly and annual MD&A for the period to which the relevant Adjusted metric relates.