

Q4 2020 RESULTS

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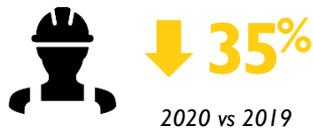
February 10, 2021

See slides 12 & 13 for important information on forward-looking information and non-GAAP financial measures in this presentation

Focus on Safety, Technology, and Sustainability

2020 Performance Highlights

Total Incident Frequency



Customer Loyalty



Market Share



Sustainability



Technology Investments Set the Stage for Recovery



eCommerce

Online customer portal and chat support
Omni channel order fulfilment



Connectivity & Condition Monitoring

Machine Condition Monitoring
Integrated Knowledge Centers



Executing to Meet Commitments

Improved execution and profitability in South America

EBIT as % of Net Revenue⁽¹⁾

Q4 2020

8.3%

- Restructuring completed: 2020 SG&A down 13% from 2019
- Leveraging one common technology platform
- Argentina returned to profitability

Reduced costs and improved productivity in Canada

SG&A

2020 vs 2019

↓ 8%

Down ~20% from 2013⁽²⁾

- Workforce down 12% from 2019, mostly non-revenue generating
- Optimized facility network driving productivity gains
- Leveraging back office efficiencies and global supply chain

Secured initial equipment orders for HS2 Project

Total Industry Opportunity

£390M

~1,100 machines

- Backlog⁽¹⁾ includes initial equipment orders for HS2
- Expect to start delivering equipment in Q2 2021
- Well positioned to capture further equipment and product support opportunities for this project

Lowered finance costs and strengthened balance sheet

Finance Costs

2020 vs 2019

↓ 21%

- Improved working capital performance
- Reduced leverage
- Strong financial position supports capital allocation priorities

Improved Earnings Capacity in a Recovery

2021 Considerations

- 2021 outlook remains positive, led by strong recovery in Chile and UK, and improvements in order intake⁽¹⁾ and backlog
- Expect revenue growth in 2021, however remaining below 2019 levels
- On track to deliver more than \$100 million of annualized cost savings
- Expect 2021 earnings to exceed 2019
 - Assuming undisrupted market recovery and successful execution of profitability drivers
- Expect strong annual free cash flow⁽¹⁾ in 2021
 - EBITDA⁽¹⁾ to FCF conversion⁽¹⁾ modestly below 50% due to increased inventory purchases

2021 Profitability Drivers



Operating leverage in a recovering market



Product support growth in all regions



Significant progress towards SG&A target



Effective allocation of capital

Mid-Cycle Targets

**EBITDA to FCF
Conversion**



~50%

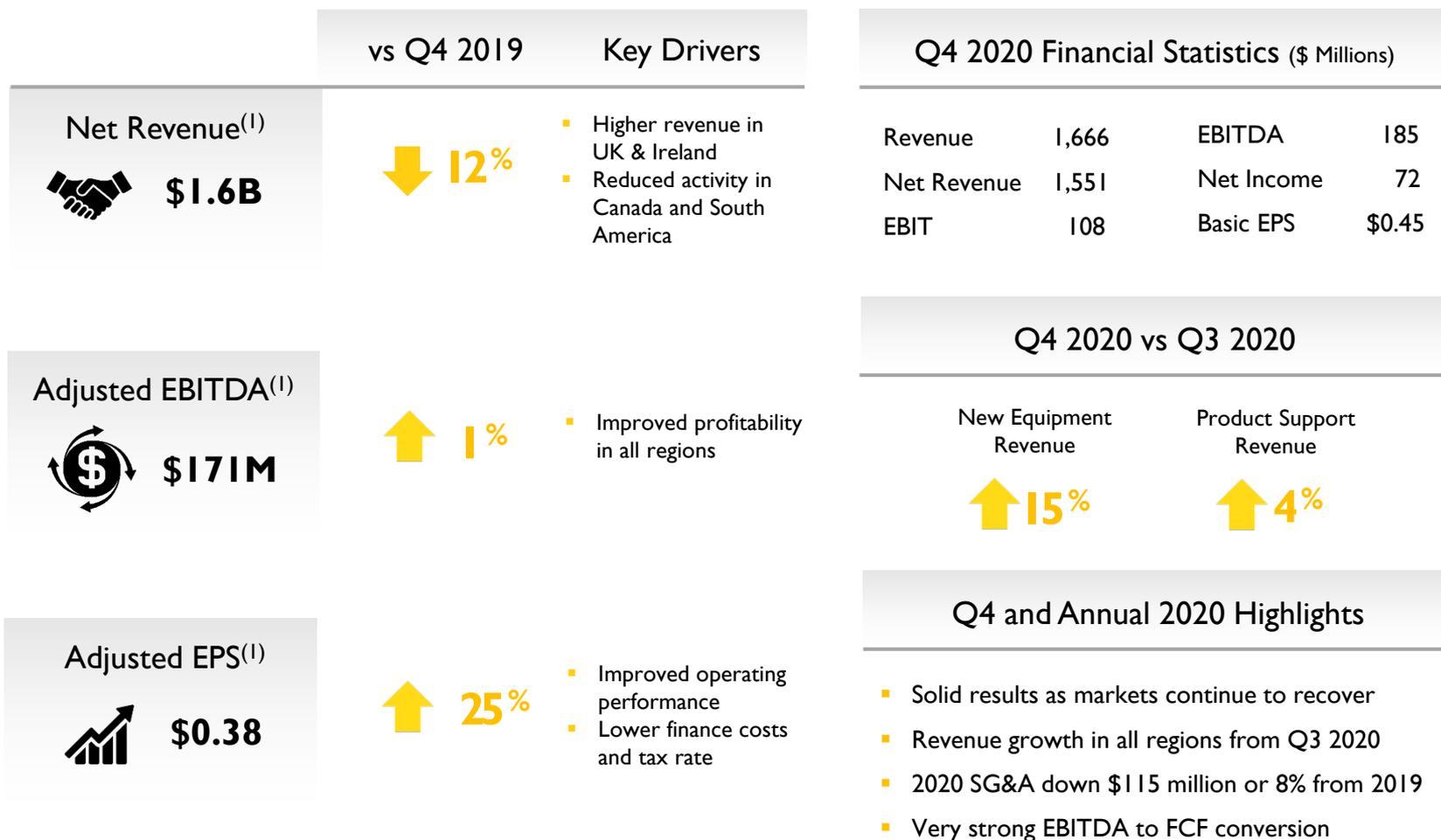
2013 - 2020 average

**SG&A as % of
Net Revenue⁽¹⁾**



~17%

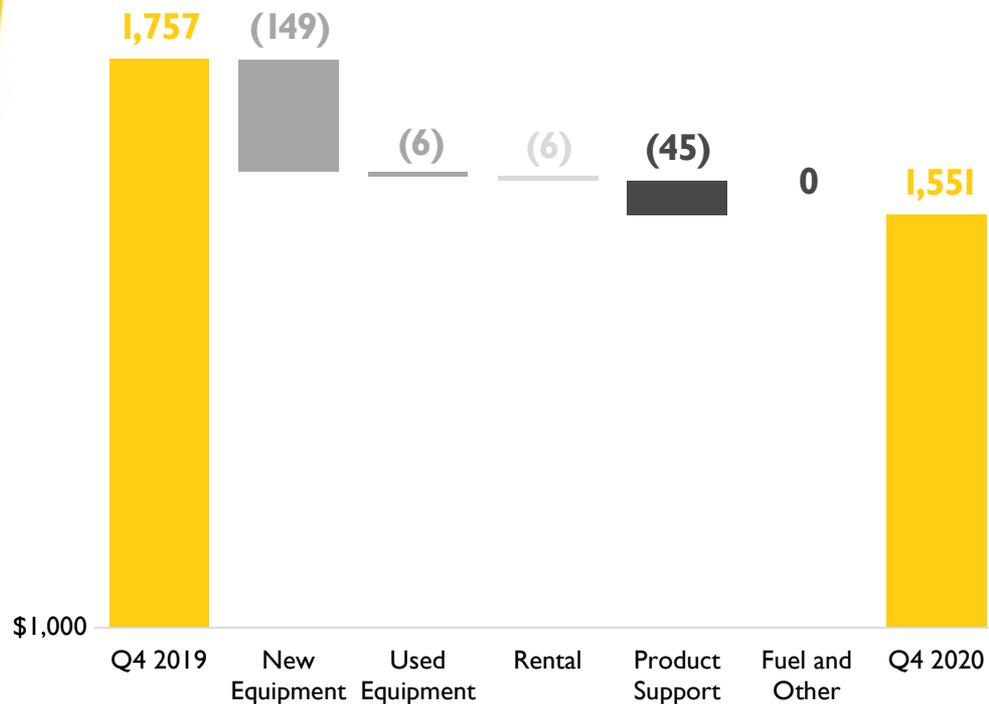
Q4 2020 Results



Q4 2020 Net Revenue

Net Revenue by Line of Business

\$ Millions

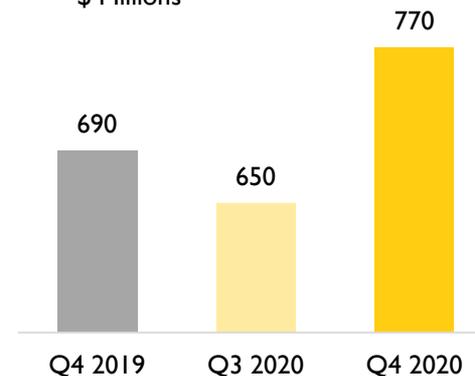


Key Revenue Drivers

- Reduced capital budgets in Canada impacted new equipment sales
- South America revenue slightly below Q4 2019
- UK & Ireland new equipment sales were up 18% from Q4 2019 in functional currency
- Continued improvement in requests for proposals and quoting activity in all regions
- Q4 2020 order intake was up 60% from Q3 2020 and the highest since Q3 2018, driven by UK & Ireland and South America

New Equipment Backlog

~\$ Millions



Revenue Mix

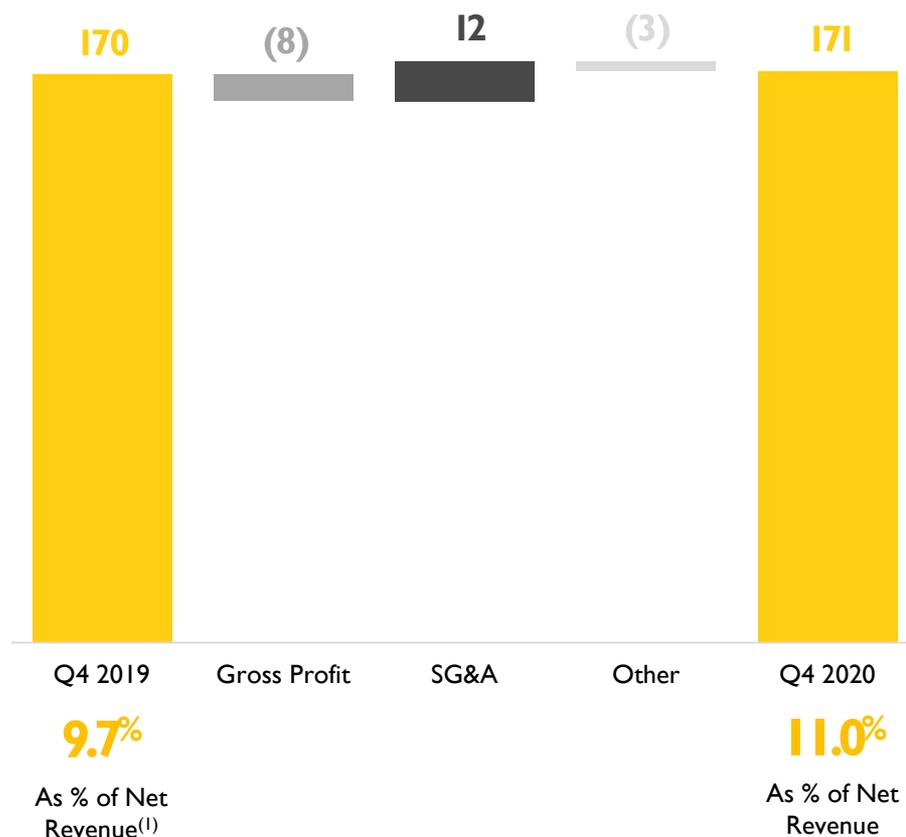
Q4 2020 vs Q4 2019



Q4 2020 Adjusted EBITDA

Adjusted EBITDA

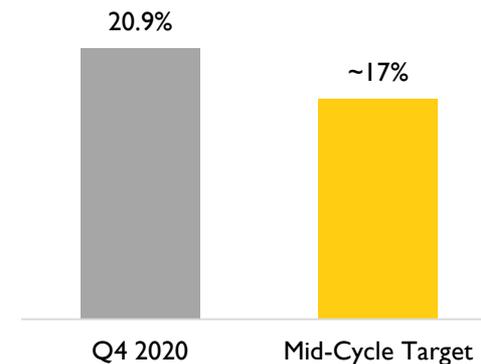
\$ Millions



Q4 2020 Highlights

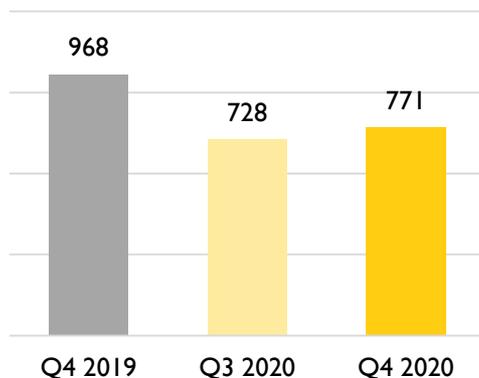
- Operational improvements and revenue mix shift to product support supported gross profit
- Cost savings were partly offset by higher LTIP⁽²⁾ expense; share price up 33% in Q4 2020
- Labour productivity impacted by COVID 2nd wave and low equipment preparation volumes
- CEWS allowed us to maintain technical workforce

SG&A % of Net Revenue



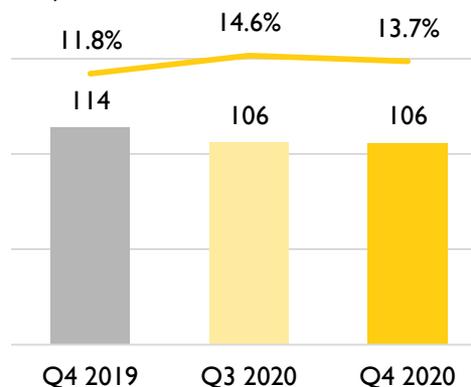
Q4 2020 Financial Results – Canada

Net Revenue \$ Millions



EBITDA

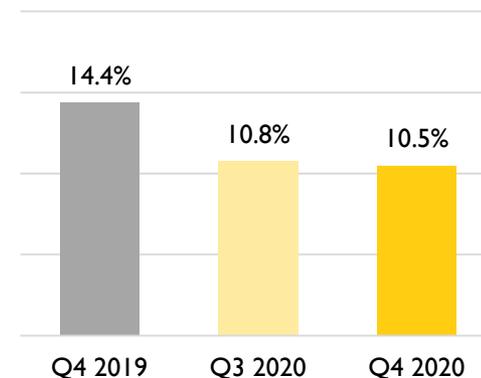
Adjusted, \$ Millions, as % of Net Revenue



7.4% 8.1% 7.7%
Adjusted EBIT⁽¹⁾ as % of Net Revenue⁽¹⁾

Return on Invested Capital

Adjusted⁽¹⁾, 4 Quarter Average



Q4 2020 Commentary

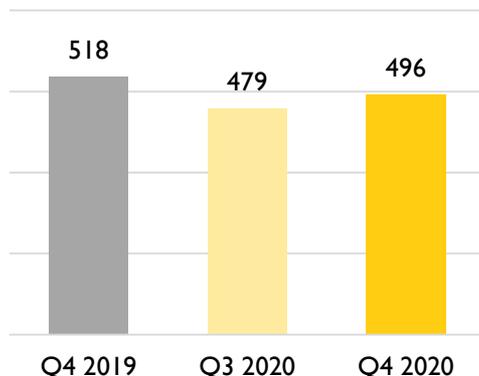
- New equipment sales down 47% from Q4 2019
- Market activity improving sequentially, driven by mining
- Product support up 5% from Q3 2020, driven by oil sands and rebuild activity
- SG&A down 7% from Q4 2019, continued focus on costs
- Strong performance from 4Refuel: 2020 Adjusted EBITDA up 14% from 2019, 2020 FCF of \$36 million

Market Outlook

- Expect increase in oil sands capex and production to drive higher new equipment and product support activity
- Outlook for copper and precious metals has improved
- Strong RFP and quoting activity in mining continues
- Public and private infrastructure investments to support near-term activity and longer-term growth in construction

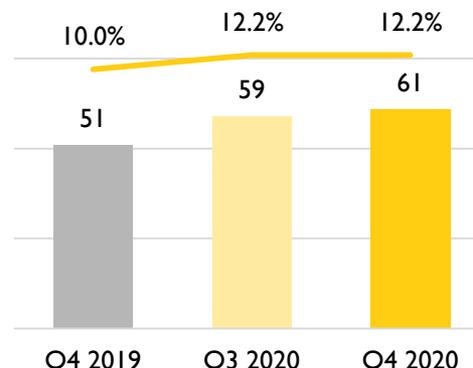
Q4 2020 Financial Results – South America

Net Revenue
\$ Millions



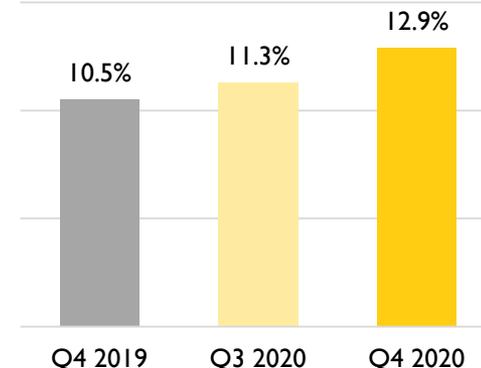
EBITDA

Adjusted, \$ Millions, as % of Net Revenue



Return on Invested Capital

Adjusted, 4 Quarter Average



Q4 2020 Commentary

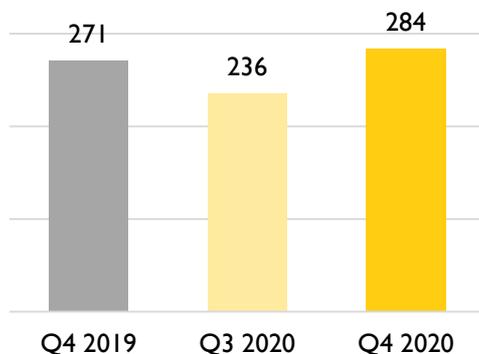
- COVID-19 restrictions continued to impact mining operations and overall economic activity
- Product support up 8% from Q3 2020 in functional currency, driven by mining
- Deferral of mining deliveries to Q1 2021
- Significantly improved operational execution and profitability

Market Outlook

- Optimistic about mining recovery in Chile; order intake up 80% from Q3 2020, driven by mining
- Actively quoting on multiple RFPs for brownfield expansions and greenfield projects
- Expect continued recovery in mining product support
- Positive outlook for construction and power systems in Chile supported by public investment in infrastructure
- Monitoring potential social unrest and upcoming customer union negotiations

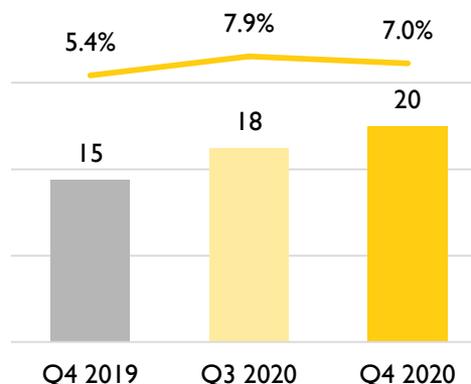
Q4 2020 Financial Results – UK & Ireland

Net Revenue
\$ Millions



EBITDA

Adjusted, \$ Millions, as % of Net Revenue

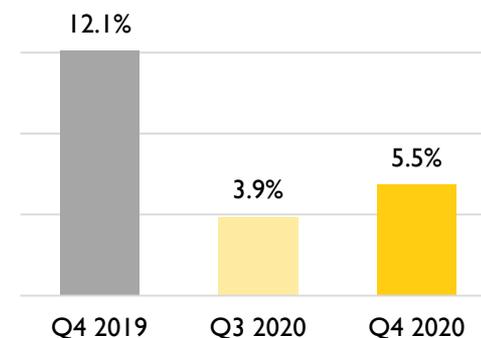


1.9% 4.1% 3.7%

Adjusted EBIT as % of Net Revenue

Return on Invested Capital

Adjusted, 4 Quarter Average



Q4 2020 Commentary

- Strong revenue recovery driven by power systems project deliveries
- New equipment sales up 18%, product support revenue up 3% from Q4 2019 in functional currency
- Solid profitability reflects effective cost control, improved inventory quality, and product mix
- UK government's furlough program limited business disruptions and supported rapid recovery

Market Outlook

- Positive outlook for construction and power systems
- Order intake more than doubled from Q3 2020, driven by initial equipment orders for HS2
- Expect strong ramp-up of HS2 construction in 2021
- Well positioned to capture HS2 opportunities
- Solid backlog of HS2 equipment and power systems projects underpins revenue outlook for the second half of 2021

Free Cash Flow, Balance Sheet, Capital Allocation

2020 Highlights

- Improved working capital management
- Inventory turns⁽¹⁾ up 10% vs 2019
- 2020 net capex and rental fleet spend ~\$100 million
- Well positioned to make strategic investments early in the recovery

Free Cash Flow
2020
\$870^M

Net Debt to Adj. EBITDA⁽¹⁾
Dec 31, 2020
1.4

EBITDA to FCF Conversion
2020
~125%

Capital Allocation Priorities

Organic Growth

Dividend Growth

Opportunistic Share Repurchases

Acquisition Opportunities

Further Debt Repayment

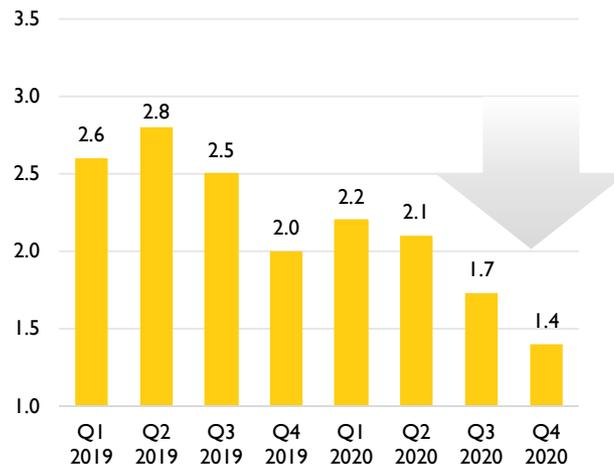
Inventory Purchasing

Strategic Investments
 ■ Network
 ■ Digital

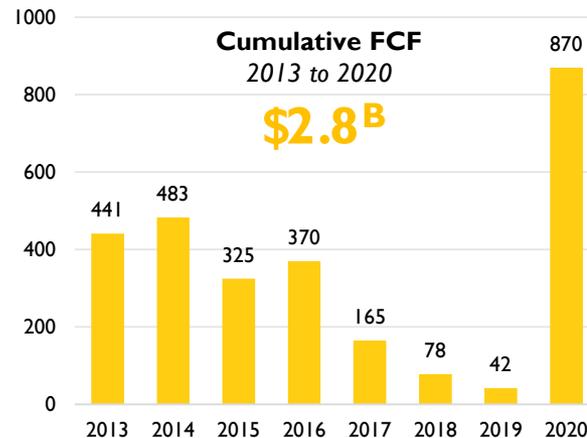
4Refuel FCF in 2 years since acquisition **\$50^M**

Saskatchewan paid back in full **5 yrs**

Net Debt to Adjusted EBITDA (Ratio)



Free Cash Flow (\$ Millions)



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: we expect to start delivering equipment to HS2 in Q2 2021 and are well positioned to capture further equipment and product support opportunities for HS2; all statements on the slide entitled “Improved Earnings Capacity in a Recovery”; all statements under “Market Outlook” on the slides entitled “Q4 2020 Financial Results – Canada”, “Q4 2020 Financial Results – South America” and “Q4 2020 Financial Results – UK & Ireland”; that we are well positioned to make strategic investments early in the recover; our capital allocation priorities. No assurances can be given that the information in this presentation will result in sustained or improved financial performance. Information in this presentation has been furnished for information only 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, whether as a result of new facts becoming known, future events occurring or otherwise.

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, and manage the impact of COVID-19, and we are assuming an undisrupted market recovery, for example, undisrupted by COVID-19 impacts, commodity price volatility or social unrest, and successful execution of our profitability drivers listed on slide 4. Important information identifying and describing such 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) or under our profile on SEDAR (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.

Disclosures

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.

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).

Q&A