

Q2 2021 Results

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See slides 10 and 11 for important information on forward-looking information, currency, and non-GAAP financial measures

Highlights

Equipment Backlog⁽¹⁾
at June 30, 2021

\$1.4^B

Backlog build supports mid-cycle market

Revenue Growth
Q2 2021 vs Q1 2021

New Equipment **47%**

Product Support **4%**

Adjusted ROIC⁽¹⁾
Q2 2021

13.3%

Up 330 bps vs Q1 2021; improvement in all regions

Dividend Increase
to \$0.90 per share annualized

~10%

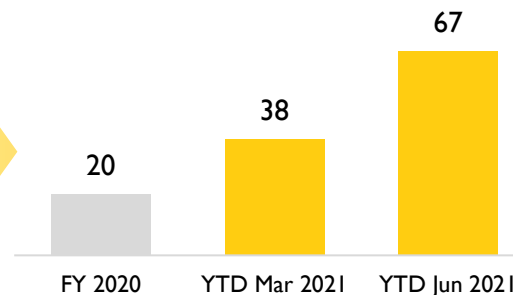
Improved mid-cycle earnings capacity

Drive Product Support

Product Support Revenue - Q2 2021 vs Q1 2021, in functional currency

- Canada up 4% - improved market activity, driving construction rebuilds
- South America up 8% - reduced COVID-19 restrictions, maintenance catch-up in mining, product support recovery in construction
- UK & Ireland up 5% - stronger demand across all sectors

Canada Construction Rebuilds
of Machines



Reduce Costs

- Significant progress toward mid-cycle SG&A target
- Operating leverage in a recovering market – SG&A is up 2% from Q2 2020 on 28% higher net revenue
- Working capital improvements⁽¹⁾ – Q2 2021 working capital to net revenue ratio⁽¹⁾ of 24% was the lowest since 2012, down 430 bps from Q4 2020

Executing to Improve Earnings Capacity - Q2 2021 vs Q2 2019

Net Revenue⁽¹⁾⁽²⁾

15%

EBIT as % of Net Revenue⁽¹⁾

110bps

Earnings Per Share

4%

⁽¹⁾ This is a non-GAAP financial measure. See slide 11 for more information.

⁽²⁾ Q2 2021 revenue of \$1,845 million represents a 14% decrease from Q2 2019 revenue of \$2,137 million

Q2 2021 Results

	vs Q2 2020 (Adjusted) ⁽¹⁾	vs Q1 2021 (Adjusted) ⁽¹⁾
Net Revenue \$1.7B	28%	16% Strong growth in new equipment sales
EBITDA⁽¹⁾ \$215M	83%	26% Operating leverage in a recovering market
EPS \$0.56	vs \$0.06	62% Significantly higher earnings in all regions and lower finance costs

Q2 2020 results were impacted by COVID-19

Q2 2021 Financial Statistics (\$ Millions)			
Revenue	1,845	EBITDA	215
Net Revenue	1,705	Net Income	91
EBIT	137	Basic EPS	\$0.56

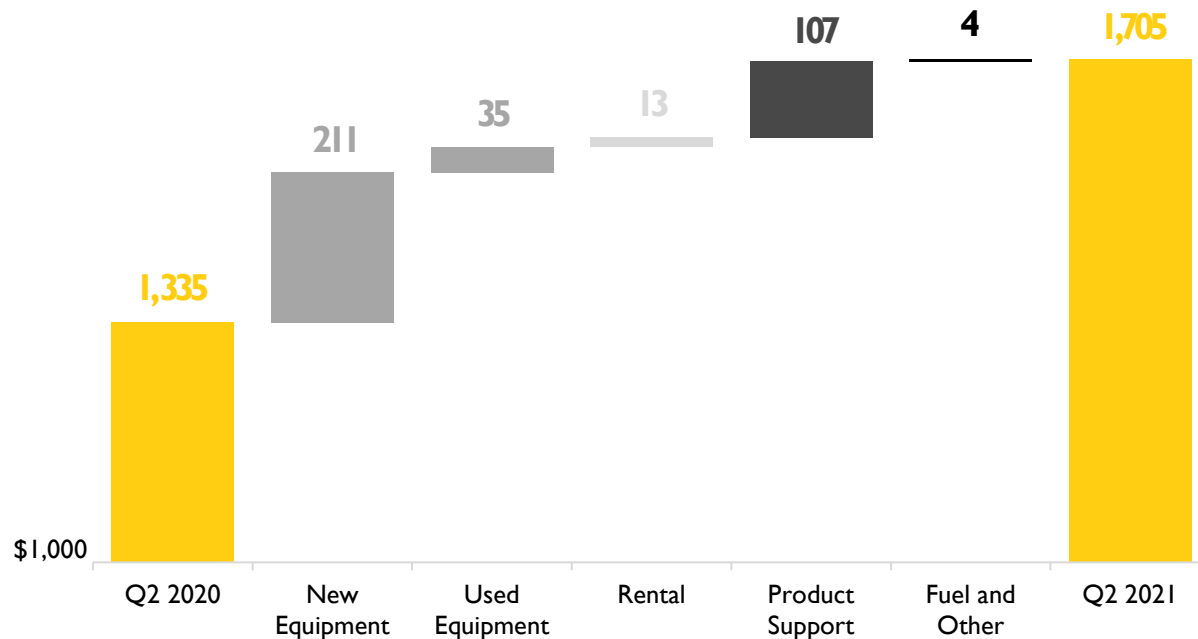
Q2 2021 Summary

- Record second quarter EPS
- Strong operational execution in a recovering market
- Product support revenue growth in all regions from Q1 2021
- Operating leverage driven by savings from 2020 cost reduction program and on-going productivity improvements
- Reduced finance costs

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Q2 2021 Net Revenue

Net Revenue by Line of Business
\$ Millions



Net Revenue Mix
Q2 2021 vs Q2 2020

New Equipment
610 bps
 35% of total

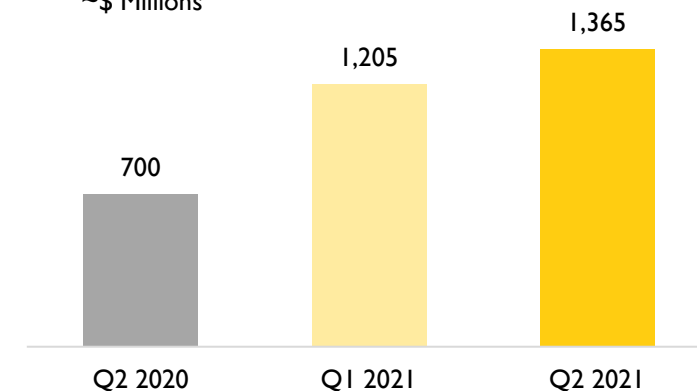
Product Support
700 bps
 54% of total

Revenue Drivers

- Strong revenue recovery in all regions, led by new equipment and product support
- New equipment sales are driven by higher volumes in the construction sector in all regions and large project deliveries
- Product support revenue growth in all regions reflects improved customer activity and strategic focus to capture market share
- Continued robust quoting activity supports backlog momentum; order intake⁽¹⁾ in Canada was the highest since Q3 2018

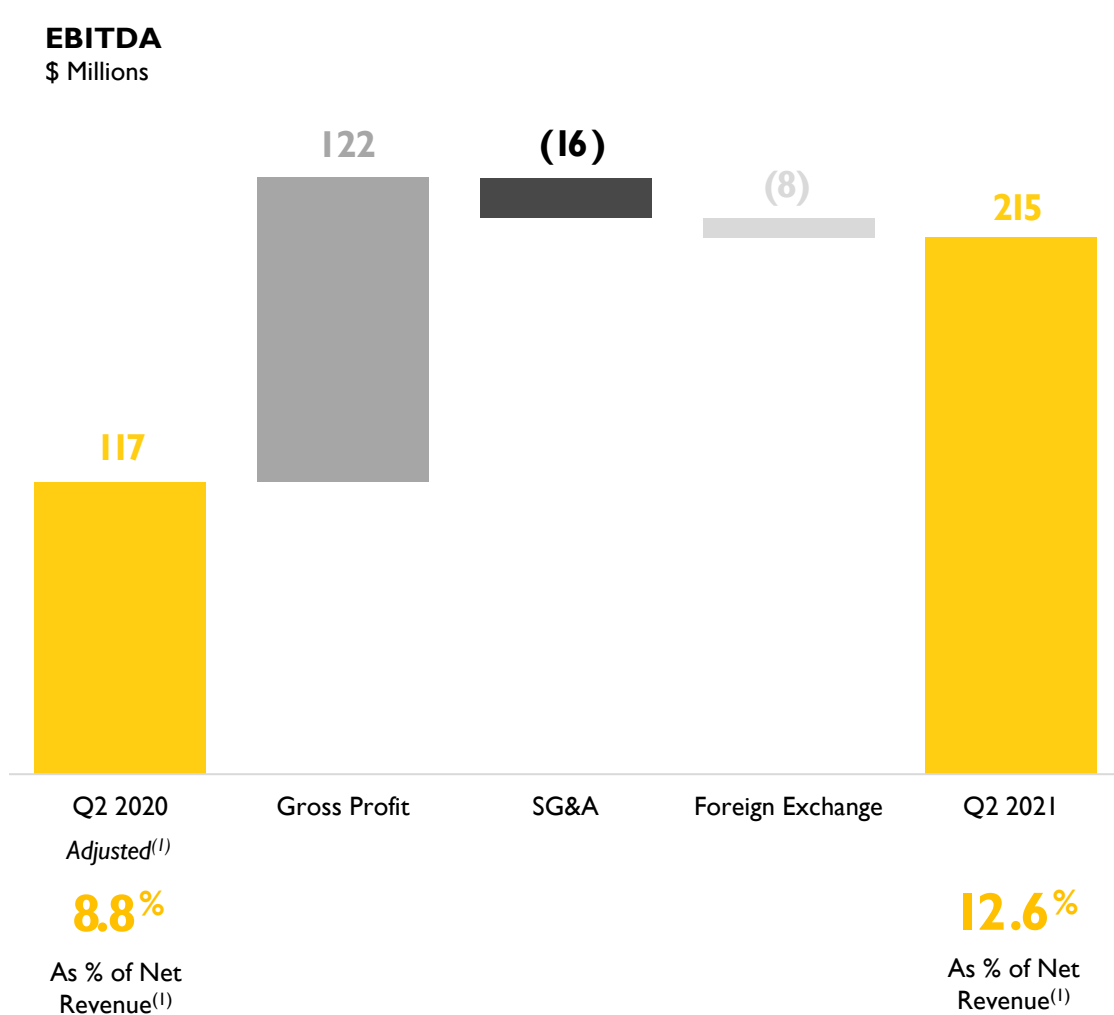
New Equipment Backlog

~\$ Millions



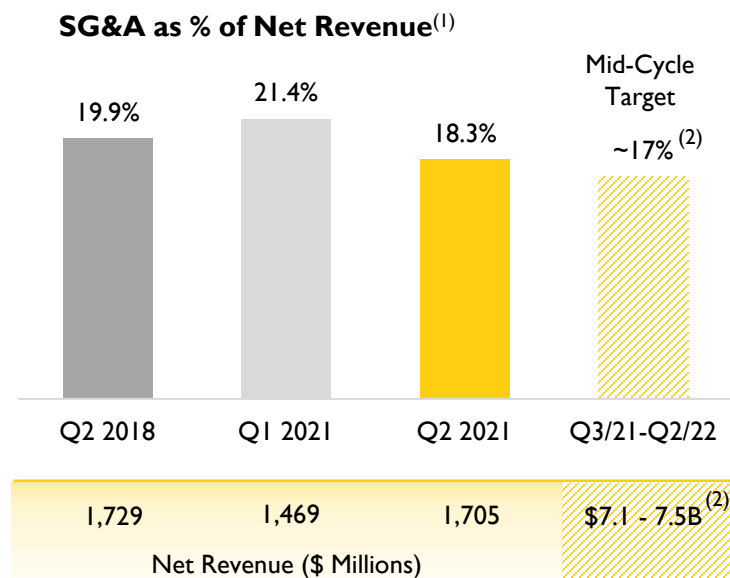
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Q2 2021 EBITDA



Q2 2021 Highlights

- Higher gross profit driven by broad-based revenue recovery and improved margins in all lines of business
- Solid margins achieved by growing market share in models with most product support opportunity, improving deal execution, and using data to drive inventory decisions and pricing management
- Quarterly SG&A reduced by over \$30 million on similar mid-cycle net revenue levels to Q2 2018

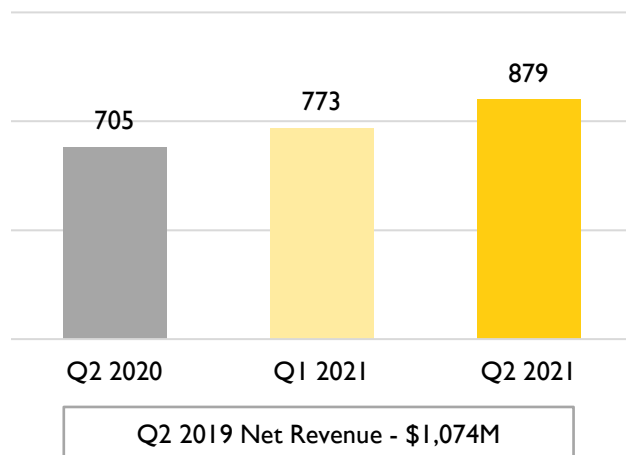


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Q2 2021 Financial Results – Canada

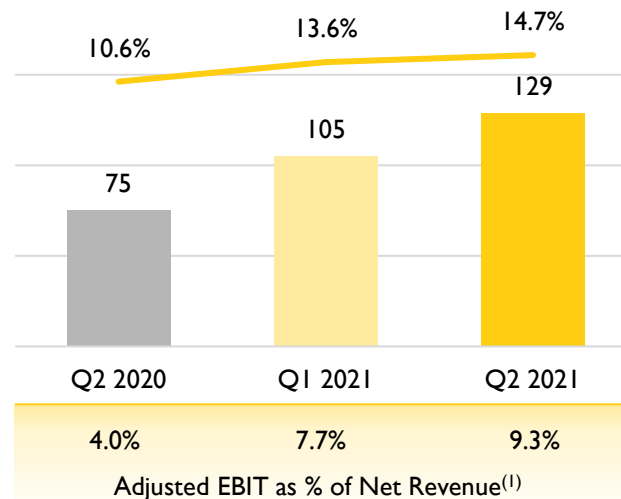
Net Revenue

\$ Millions



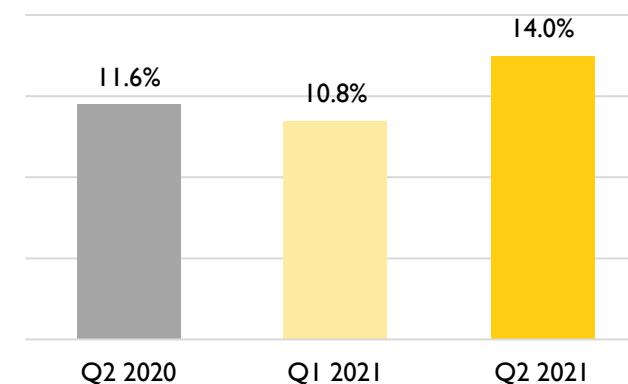
EBITDA

Adjusted, \$ Millions, as % of Net Revenue



Return on Invested Capital

Adjusted, 4 Quarter Average



Q2 2021 Commentary

- Stronger demand for new construction equipment and higher product support activity in a recovering market; however, revenue remained below Q2 2019 in all lines of business, except used equipment sales
- Product support revenue up 18% from Q2 2020 and up 4% from Q1 2021 driven by improved market activity in all sectors and our strategy to grow construction rebuilds
- SG&A up 3% from Q2 2020 on a 25% increase in net revenue, driving significantly improved profitability

Market Outlook⁽²⁾

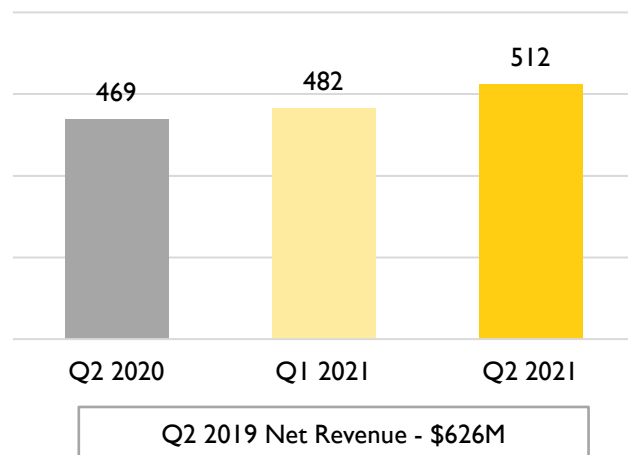
- Strong outlook for copper, other base metals, and precious metals supports increased mining activity, including BC's Golden Triangle project development
- Oil sands customers remain disciplined on capital expenditures, driving improved demand for rental equipment and a strong uptick in rebuild quoting activity
- Public and private investments in infrastructure support improved order intake in the construction sectors

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Q2 2021 Financial Results – South America

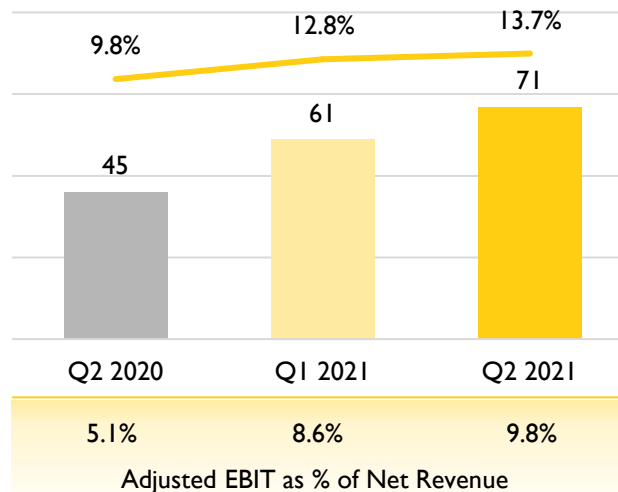
Net Revenue

\$ Millions



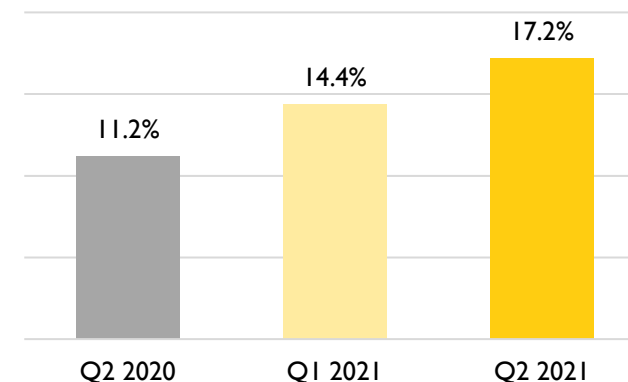
EBITDA

Adjusted, \$ Millions, as % of Net Revenue



Return on Invested Capital

Adjusted, 4 Quarter Average



Q2 2021 Commentary

- New equipment sales up 48% from Q2 2020 and up 14% from Q1 2021 in functional currency, driven by improved market activity
- Product support revenue up 16% from Q2 2020 and up 8% from Q1 2021 in functional currency with mining customers returning to normal operations and higher product support activity in construction
- SG&A comparable to Q2 2020 on 23% higher net revenues
- Highest EBIT as % of net revenue since Q2 2015 driven by improved execution to capture market recovery and a lower cost base

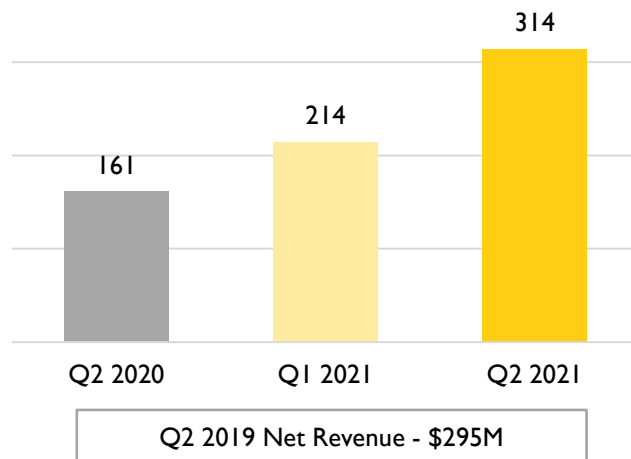
Market Outlook⁽²⁾

- Monitoring political and economic reform process in Chile
- Constructive about copper mining growth; outlook assumes a moderate increase in mining royalties
- Expect mining product support to continue recovering as COVID-19 restrictions are lifted
- Strong outlook for construction industry in Chile driven by improved demand for mining infrastructure and the government's investment in public works
- Argentina: construction activity improving, managing currency risk

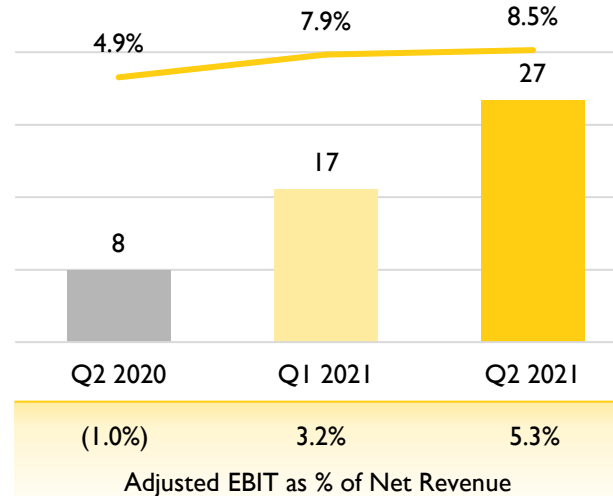
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Q2 2021 Financial Results – UK & Ireland

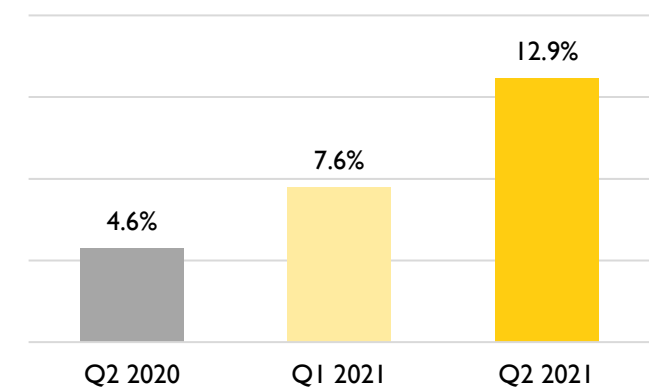
Net Revenue \$ Millions



EBITDA Adjusted, \$ Millions, as % of Net Revenue



Return on Invested Capital Adjusted, 4 Quarter Average



Q2 2021 Commentary

- Strong new equipment sales driven by deliveries to HS2 customers, power systems project deliveries, and buoyant construction markets
- Product support revenue up 37% from Q2 2020 and up 5% from Q1 2021 in functional currency with significantly improved activity in all sectors
- An increase in profitability demonstrates operating leverage on strong revenue growth

Market Outlook⁽¹⁾

- Very active equipment markets are driven by economic recovery and HS2 construction activity
- Healthy demand for our power systems solutions, particularly in the data centre market, is expected to continue
- Strong backlog reflects significant orders received in Q2 2021 from data centre customers, continued robust order intake in construction, and £54 million of equipment orders related to HS2
- We have started to quote for 2022 HS2 orders

⁽¹⁾ This outlook information is forward-looking information. See slide 10 for more information.

On Track to Deliver Mid-Cycle Targets⁽¹⁾

Simple Execution Plan

REBUILT AND READY.

DRIVE PRODUCT SUPPORT. REDUCE COSTS. REINVEST TO COMPOUND.

LET'S DO THE WORK.™

Mid-Cycle (Q3 2021 – Q2 2022)

Net Revenue (\$B)	\$7.1 - \$7.5
Product Support Revenue CAGR	8%
SG&A (% of Net Revenue)	17%
Reinvestment Capacity ⁽²⁾ (\$M)	\$250
EPS	>\$2.00
ROIC⁽³⁾	>15%
<i>Canada</i>	<i>17%</i>
<i>South America</i>	<i>18%</i>
<i>UK & Ireland</i>	<i>15%</i>

⁽¹⁾ This outlook information is forward-looking information. See slide 10 for more information.

⁽²⁾ Reinvestment capacity for complementary services acquisitions and share repurchases while maintaining net debt to adjusted EBITDA ratio⁽³⁾ below 2.0 times

⁽³⁾ This is a non-GAAP financial measure. See slide 11 for more information.

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: the mid-cycle market; our market outlook for Canada, South America and the UK & Ireland on slides 6, 7 and 8; and our progress and timing to deliver our targets in the mid-cycle, which we believe to be Q3 2021 to Q2 2022. 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.

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 impacts of COVID-19; that we will be able to capitalize on further productivity initiatives underway in 2021 and 2022; and we are assuming an undisrupted market recovery, for example, undisrupted by COVID-19 impacts, commodity price volatility or social unrest. 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

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.