

Investor Presentation

Kevin Parkes
President and CEO

2023 RBC Capital Markets Canadian AI&T Conference, Toronto

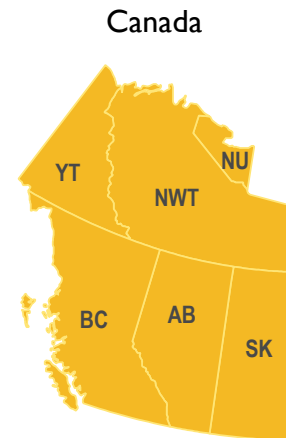
May 18, 2023

See slides 12 and 13 for important information on forward-looking information, currency, and specified financial measures, including non-GAAP financial measures



Finning Overview

- Largest Caterpillar dealer
- ‘Servicing what we sell’ for 90 years
- Diversified by geography, customer base, product, and sector
- ~14,500 employees at Mar 31, 2023

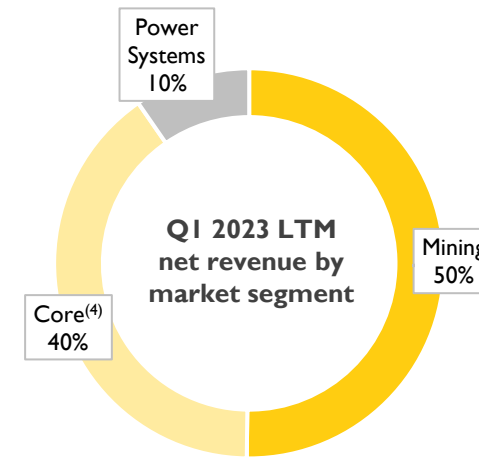
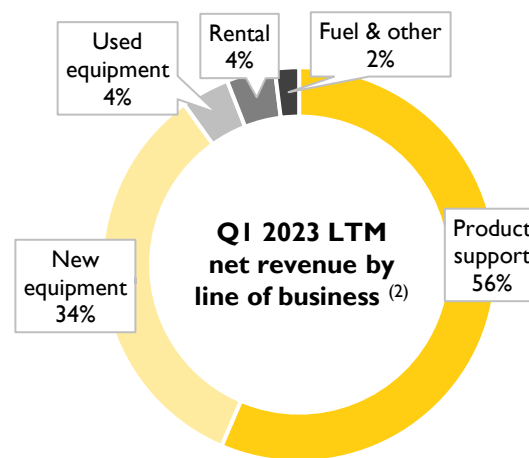
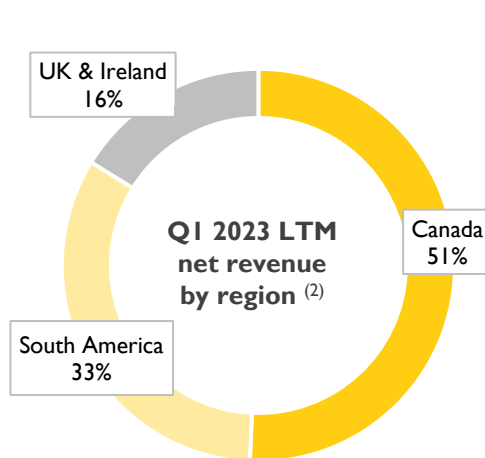


Market Statistics ⁽¹⁾ - FTT (TSX)

Share price	35.54
Market Cap	5.3B
S&P/DBRS rating	BBB+/high
Annual dividend / share	0.96
Dividend yield	2.7%

2023 Q1 LTM Financial Statistics

Revenue	9.7B
Net revenue ⁽²⁾	8.6B
EBIT	866M
Adjusted EBIT ⁽³⁾	844M
Basic EPS	3.56
Invested capital ⁽²⁾	4.5B
ROIC ⁽²⁾	20.2%
Adjusted ROIC ⁽²⁾	19.7%



Consecutive Dividend Growth



S&P/TSX Canadian Dividend Aristocrats Index Constituent

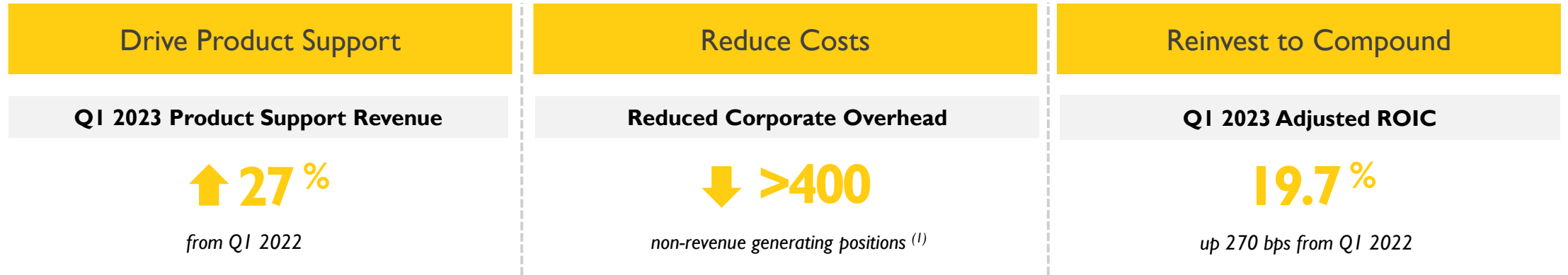
⁽¹⁾ At May 15, 2023

⁽²⁾ This is a specified financial measure. See slide 13 for more information.

⁽³⁾ This is a non-GAAP financial measure. See slide 13 for more information.

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

Strong Execution and Strategic Priorities



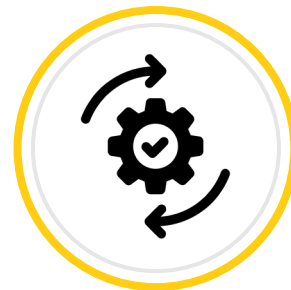
Our Strategic Priorities

Product Support



Continued share growth in aftermarket

Full Cycle Resilience



Performance through all market conditions

Growth by Design



Targeted addressable market growth

⁽¹⁾ Includes full time positions and contractors

Building on Strong Momentum

Winning with Customers

- Improving customer confidence
- Increased customer capital spending
- Strong order intake and further backlog build
- Growing book of rebuilds

Full Cycle Resilience

- Reduced corporate overhead
- Increased utilization of shared services
- Driving productivity
- Optimizing working capital levels

Continued Business Momentum

- Expanding equipment population
- Executing product support growth strategy
 - Hiring technicians
 - Improving workshop capacity and efficiencies

Q1 2023 Results

	vs Q1 2022
Net Revenue \$2.1B	↑ 23%
Adjusted EBIT \$216M	↑ 54%
EPS \$0.89	↑ 51%

Q1 2023 Summary

- Continued strong execution of product support growth strategy
- Solid operating leverage in all regions
- Equipment backlog ⁽¹⁾ up 6% from December 31, 2022
- Service work in progress ⁽²⁾ up 8% from December 31, 2022
- Actions taken to streamline operating model and reduce corporate overhead costs

Q1 2023 Financial Statistics			
<i>\$ millions, except EPS</i>		<i>Key Ratios</i>	
Revenue	2,380	Invested capital turnover ⁽¹⁾	2.01 times
Net revenue	2,144	Working capital to net revenue ⁽¹⁾	28.0%
EBIT Adjusted EBIT	239 216	Inventory turns (dealership) ⁽¹⁾	2.51 times
EPS	\$0.89	Adjusted ROIC	19.7%
Free cash flow ⁽³⁾	(245)	Net debt to Adjusted EBITDA ⁽¹⁾	1.7 times

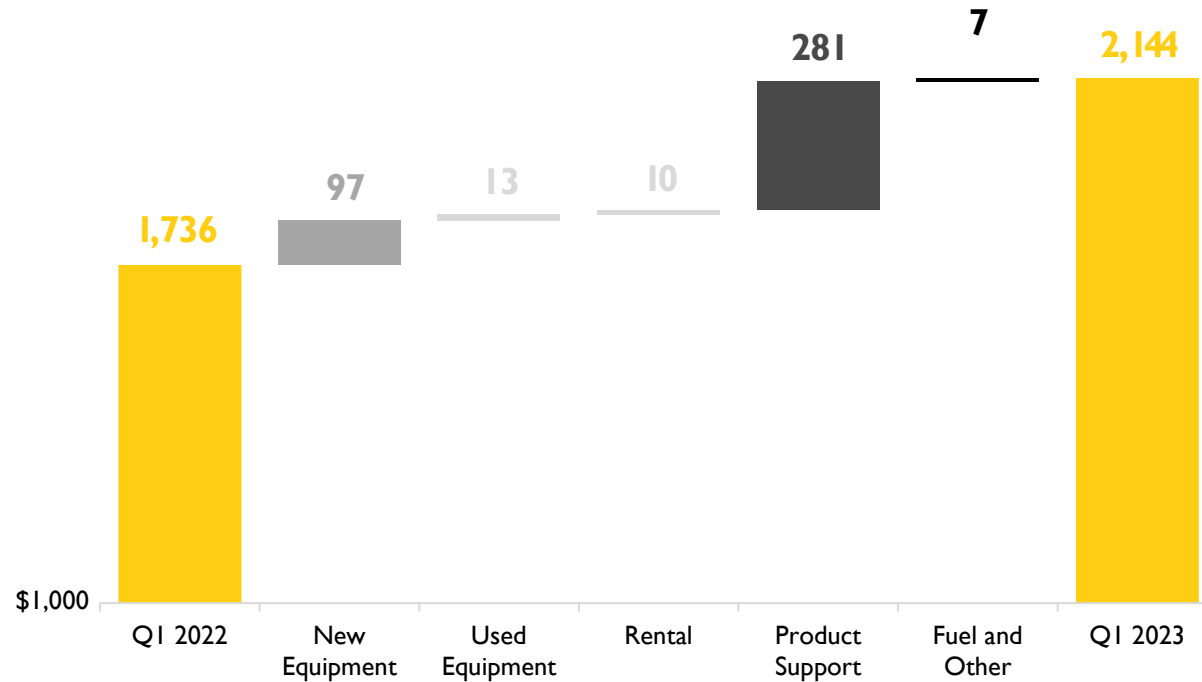
⁽¹⁾ This is a specified financial measure. See slide 13 for more information.

⁽²⁾ Unbilled receivables and internal service work in progress.

⁽³⁾ This is a non-GAAP financial measure. See slide 13 for more information.

Q1 2023 Net Revenue

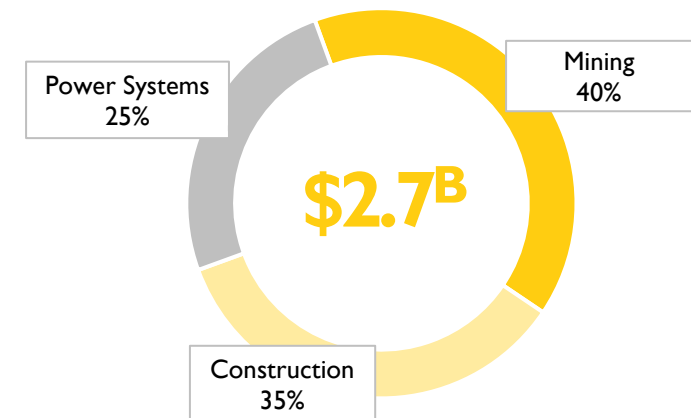
Net Revenue by Line of Business
\$ millions



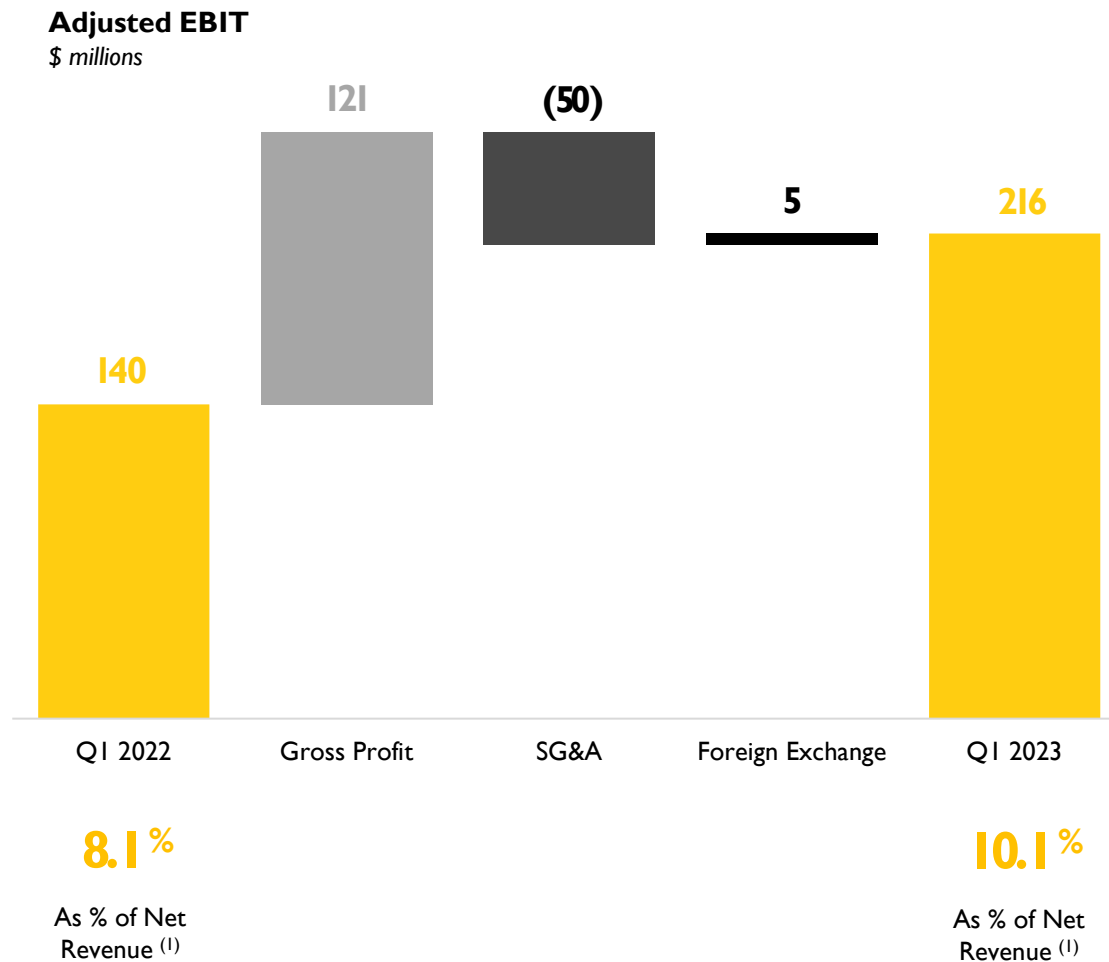
Revenue Highlights

- Higher new equipment sales driven primarily by Canada
- Strong product support revenue growth across all regions and sectors, led by mining
- Q1 2023 order intake up ~25% from Q4 2022, higher in all regions and across all sectors
- Substantial majority of backlog expected to be delivered in 2023

Equipment Backlog
At March 31, 2023



Q1 2023 Adjusted EBIT



EBIT Highlights

- Increase in gross profit and gross profit as % of net revenue driven by strong product support volumes
- Increase in SG&A reflects higher workforce and variable costs to support revenue growth as well as impact of inflationary increases
- SG&A as % of net revenue ⁽¹⁾ down 120 bps vs Q1 2022

Simplified Operating Model

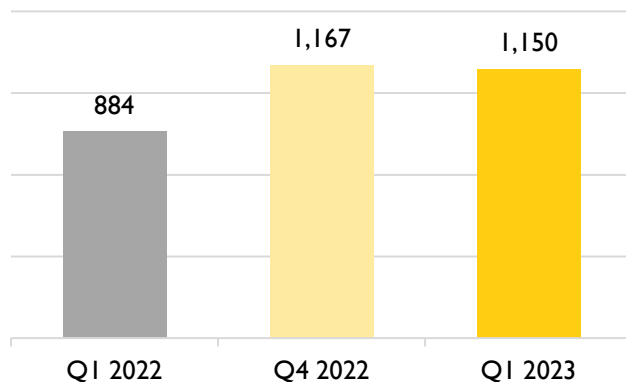
- Reduced non-revenue generating workforce, including 25% reduction of VP and above positions globally; fixed cost reductions to help offset inflationary and variable cost increases
- Wound up two foreign subsidiaries
- Recapitalized and repatriated profits from South America

⁽¹⁾ This is a specified financial measure. See slide 13 for more information.

Q1 2023 Results – Canada

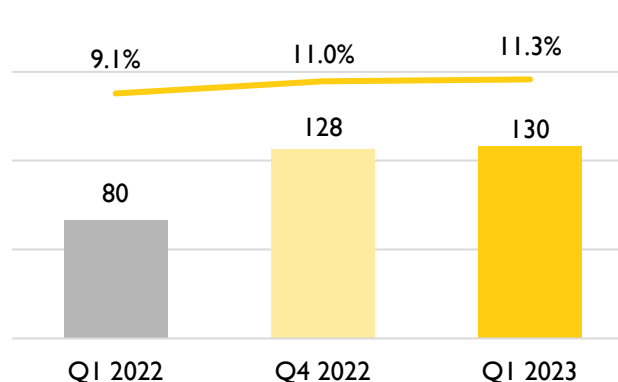
Net Revenue

\$ Millions



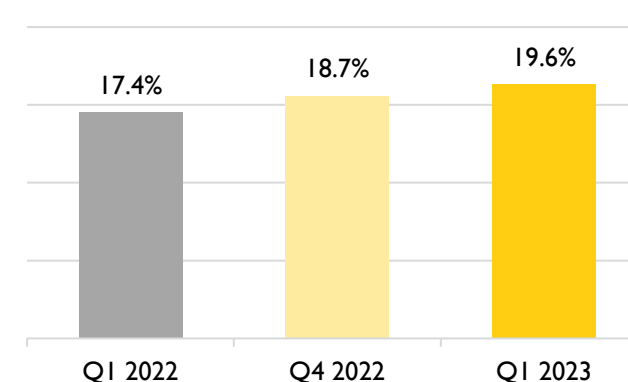
Adjusted EBIT

\$ Millions, as % of Net Revenue



Adjusted ROIC

4 Quarter Average



All comparisons are to Q1 2022 results unless indicated otherwise

Q1 2023 Commentary

- Broad-based strength across all lines of business
- New equipment sales up 52%, driven by mining deliveries
- Backlog up 6% from Q4 2022; Artemis Gold mining equipment order expected to be fully included in Q2 2023 backlog
- Product support revenue up 26%, driven by mining, including increasing rebuild activity, and higher volumes in construction and power systems
- Solid operating leverage with SG&A as % of net revenue down vs Q1 2022

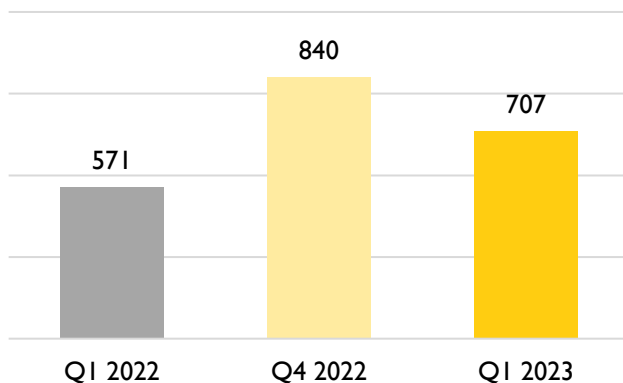
Market Outlook ⁽¹⁾

- Positive outlook: healthy order activity and equipment backlog, continued strong demand for product support
- Mining and energy: constructive commodity prices, improved capital budgets, increased customer confidence
- Construction: committed public and private sector investments in infrastructure and power projects
- Power systems: strong activity and order intake from energy customers, backlog at highest level since 2014

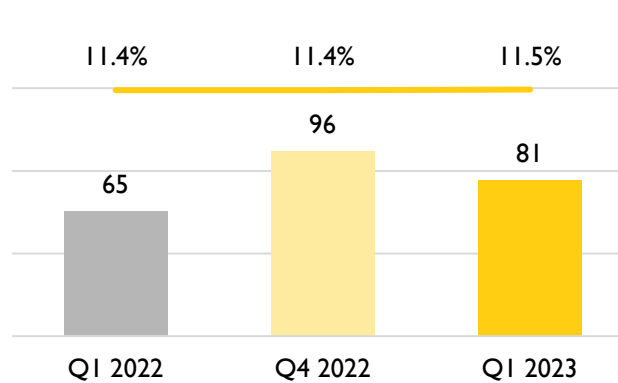
⁽¹⁾ This is forward-looking information. See slide 12 for more information.

Q1 2023 Results – South America

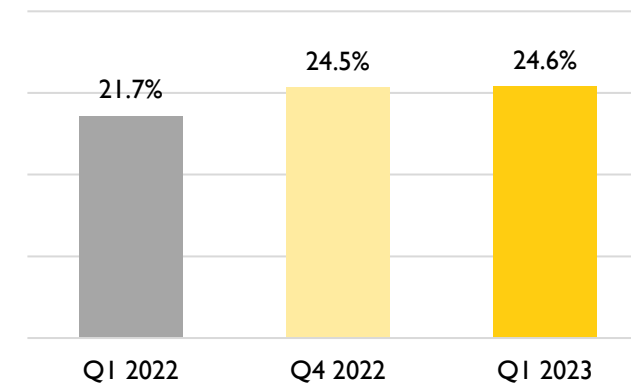
Net Revenue \$ Millions



Adjusted EBIT \$ Millions, as % of Net Revenue



Adjusted ROIC 4 Quarter Average



All comparisons are to Q1 2022 results in functional currency unless indicated otherwise

Q1 2023 Commentary

- New equipment sales up 8%, due to higher sales to large contractors supporting mining operations and infrastructure construction in Chile
- Backlog up 7% from Q4 2022
- Product support revenue up 19%, on increased demand for component exchanges, equipment overhauls, and fleet maintenance in mining, as well as higher volumes from new mining product support contracts
- Accelerated productivity initiatives, including reduction of 120 managerial and administrative positions, to offset inflationary cost increases and drive operating leverage

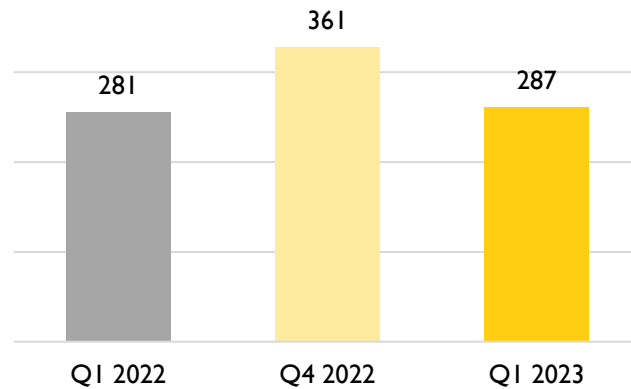
Market Outlook ⁽¹⁾

- Strong outlook for Chile mining: encouraged by the agreement on a moderated mining royalty bill and recent approvals for large-scale brownfield expansions
- Positive outlook for large contractors supporting mining infrastructure (~50% of construction business) and stable construction activity in Chile
- Strong activity and order intake in power systems, additional orders for large-scale data centre projects in Chile secured in Q1 2023
- Argentina (~15% of South America's net revenue): proactively managing through challenging near-term environment; significant long-term growth potential in lithium and oil & gas contingent on political and economic climate

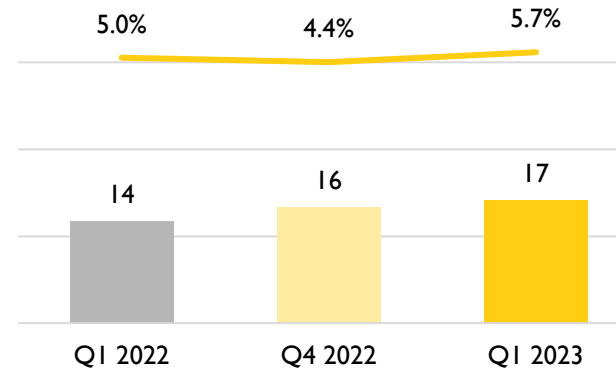
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Q1 2023 Results – UK & Ireland

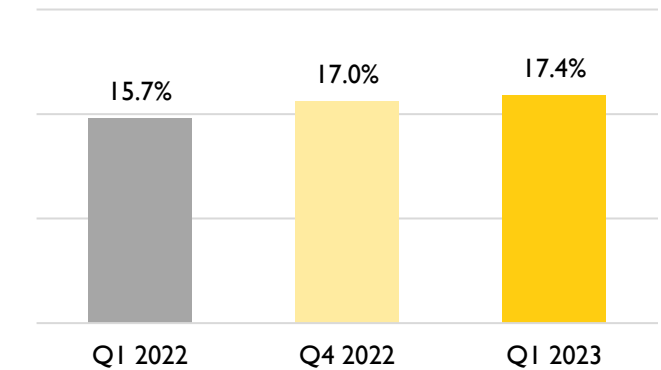
Net Revenue
\$ Millions



Adjusted EBIT
\$ Millions, as % of Net Revenue



Adjusted ROIC
4 Quarter Average



All comparisons are to Q1 2022 results in functional currency unless indicated otherwise

Q1 2023 Commentary

- New equipment sales down 13% due to lower sales in construction, including lower HS2 deliveries; new equipment sales in power systems exceeded Q1 2022
- Product support revenue up 36% with strong activity in construction and full quarter contribution from Hydraquip, acquired in March 2022
- Higher proportion of product support in the revenue mix
- Solid operating leverage

Market Outlook ⁽¹⁾

- Construction order activity remains stable and demand for equipment has been resilient to start of the year
- Expect lower construction new equipment sales in 2023 vs 2022 due to completion of HS2 deliveries
- Strong product support activity driven by high machine utilization and growing contribution from Hydraquip
- Strong demand and solid backlog of power systems projects for delivery in 2023, secured additional orders from data centre customers for 2024 delivery

⁽¹⁾ This is forward-looking information. See slide 12 for more information.

Sustainability at Finning

Reducing our GHG Emissions

Absolute GHG Emissions Reduction Target ⁽¹⁾

↓ 40% 2027 vs 2017

On Track to Achieve Target

Absolute GHG emissions

↓ 28%

2022 vs 2017 includes 4Refuel

GHG emissions intensity by exposure hours

↓ 9%

2022 vs 2021 on 23% higher net revenue

Key Drivers of Lower Emissions

Renewable Energy Use



Facilities Optimization



Energy Efficiency



Fleet Improvements



Helping Customers Decarbonize

Caterpillar Low Emission Products

Electric Drive and Autonomous Mining Trucks



Copper



Energy & Metals

Caterpillar's first battery electric 793 mining truck demonstrated in Tucson in November 2022

CAT 3512E Dynamic Gas Blending Engines



Up to 85% diesel displacement with natural gas & up to 20% hydrogen blend

Finning Services and Technologies



Remanufacturing and Rebuilds
Scan to learn more about OEM Remanufacturing operations in Canada

4Refuel
A FINNING INDUSTRIAL SERVICE
ComTech Energy

CUBIQ
Sustainability Dashboard

Strengthening Safety and DE&I Culture

Reducing Significant Incident Frequency

↓ 60% 2022 vs 2021

Growing Female Technical Workforce ⁽¹⁾



ROADMAP TO GENDER BALANCE AT ESCONDIDA

GOAL

50% (174) female employees in Minera Escondida LPP Contract by 2025

NUMBER OF WOMEN HIRED AT THE ESCONDIDA MINE IN 2022:

35

TOTAL NUMBER OF FEMALE WORKERS AT THE MINE AT THE END OF 2022:

66



Visit our website for 2022 Sustainability Report detailing our progress on sustainability and our alignment with GRI, SASB, and TCFD frameworks.

⁽¹⁾ This is forward-looking information. See slide 12 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: our expectation for a majority of our backlog to be delivered in 2023 on slide 6 (assumes supply chain continuity and that supply chain and inflationary challenges will not materially impact project deliveries); our expectation that the Artemis Gold mining equipment order will be fully included in Q2 2023 backlog, and our market outlook for Canada on slide 8 (based on assumptions of healthy order activity and backlog (and our ability and timing to deliver our backlog), continued strong demand for product support, continued constructive commodity prices, improved customer capital budgets, and strong activity levels and order intake from energy customers, and based on assumptions of governments’ infrastructure programs and private sector investments in infrastructure and power projects); our market outlook for South America on slide 9 (based on assumptions of the outcome and impact of the Chile mining royalty bill, that approved projects will proceed as anticipated and that increases in quoting and request for proposal activity is reflective of opportunities, a constructive copper price, increasing demand for copper, improved political clarity, and for Argentina based on assumptions related to growth potential and investment in lithium and oil and gas projects, contingent on political and economic climates, and that we and our customers will be able to manage through the challenging fiscal, regulatory, and currency environments); our market outlook for UK and Ireland on slide 10 (with respect to construction new equipment, based on deliveries to HS2 being largely completed, with respect to product support activity, based on assumptions of continued high machine utilization rates across construction markets and growing contribution from Hydraquip, and with respect to power systems, demand for our power systems business remaining strong, the strength of our backlog for delivery in 2023, and that we have secured additional orders from data centre customers for 2024 delivery (also assumes no disruption to our ability to deliver our backlog)) and our GHG emissions reduction target (assumes our ability to leverage initiatives to drive lower emissions at costs that are not prohibitive) and our goal for gender balance at Escondida (assumes our ability to attract, train and retain skilled staff) each on slide 11. 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. Our actual results, performance or achievements may 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 those mentioned above and that: we will be able to execute on our strategic plans, successfully manage our business through the current challenging times involving volatile commodity prices, high inflation, increasing interest rates, supply chain challenges and the impacts of the Russia-Ukraine war, and successfully execute our economic condition and business cyclical mitigation strategies, including preparing for future waves (if any) of COVID-19; and we are assuming an undisrupted market recovery, for example, undisrupted by COVID-19 impacts, commodity price volatility or social unrest; the successful execution of our profitability drivers; and that our cost actions to drive earnings capacity in a recovery can be sustained. 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) and under our profile on SEDAR (www.sedar.com).

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). These variances and ratios for South America and UK & Ireland exclude the foreign currency translation impact from the CAD relative to the USD and GBP, respectively, and are therefore, considered to be specified financial measures. We believe the variances and ratios in functional currency provide meaningful information about operational performance of the reporting segment.

Specified financial measures

This presentation includes certain specified financial measures, including non-GAAP financial measures, which are identified as such the first time they are used. The specified financial measures we use do not have any standardized meaning under Generally Accepted Accounting Principles (GAAP) and therefore may not be comparable to similar measures presented by other issuers. For additional information regarding these financial measures, including descriptions, composition, and where applicable, reconciliations from certain specified financial measures to their most directly comparable measure under GAAP see the heading “Description of Specified Financial Measures and Reconciliations” in our Q1 2023 MD&A. We believe that providing certain specified financial measures, including non-GAAP financial measures, provides users of our MD&A and consolidated financial statements with important information regarding the operational performance and related trends of our business. By considering these specified financial measures in combination with the comparable GAAP measures (where available), 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 GAAP measures alone.

Reported financial measures may be impacted by significant items we do not consider indicative of operational and financial trends either by nature or amount. Financial measures that have been adjusted to take these items into account are referred to as “Adjusted measures”. For a description of these significant items, please refer to our Q1 2023 MD&A.