



**FINNING**

## Acquisition of 4Refuel

December 10, 2018

## Disclosures

### Forward-looking information

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### Non-GAAP financial measures

This presentation includes the following “non-GAAP financial measures”: “EBITDA” (Earnings Before Finance Costs, Income Taxes, Depreciation and Amortization), “free cash flow” and “net revenue”. These financial metrics do not have a standardized meaning under International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP), and therefore may not be comparable to similar measures presented by other issuers. For additional information regarding EBITDA and free cash flow, including definitions and reconciliations from each of these non-GAAP financial measures to their most directly comparable measure under GAAP, where available, see the heading “Description of Non-GAAP Financial Measures and Reconciliations” in our most recent MD&A. Net revenue is described on page 4 of this presentation. Management believes that providing certain non-GAAP financial measures provides users with important information regarding the operational performance and related trends of the business. By considering these measures in combination with the comparable IFRS measures, management believes that users are provided a better overall understanding of the business and its financial performance during the relevant period than if they simply considered the IFRS measures alone.

## Finning to acquire 4Refuel, Canadian leader in mobile on-site refueling services

- 4Refuel provides 24x7 mission critical on-site service that improves customer productivity, lowers total cost of equipment ownership, and enhances safety across all equipment brands
- Experienced management team; strong customer service culture aligns with Finning
- Attractive valuation of \$260 million or approximately 7.8 x 2018E EBITDA, excluding synergies
- Immediately accretive to 2019E earnings per share and free cash flow, excluding synergies
- Transaction to be funded with cash on hand and from existing credit facilities
- Transaction is subject to customary regulatory approvals and is expected to close early in 2019



# 4Refuel – Canadian leader in mobile on-site fuel management services

## Business highlights

2018E Net Revenue<sup>(1)</sup>  
millions

**\$110**

2018E EBITDA  
millions

**\$33.5**

2018E Volume  
million litres

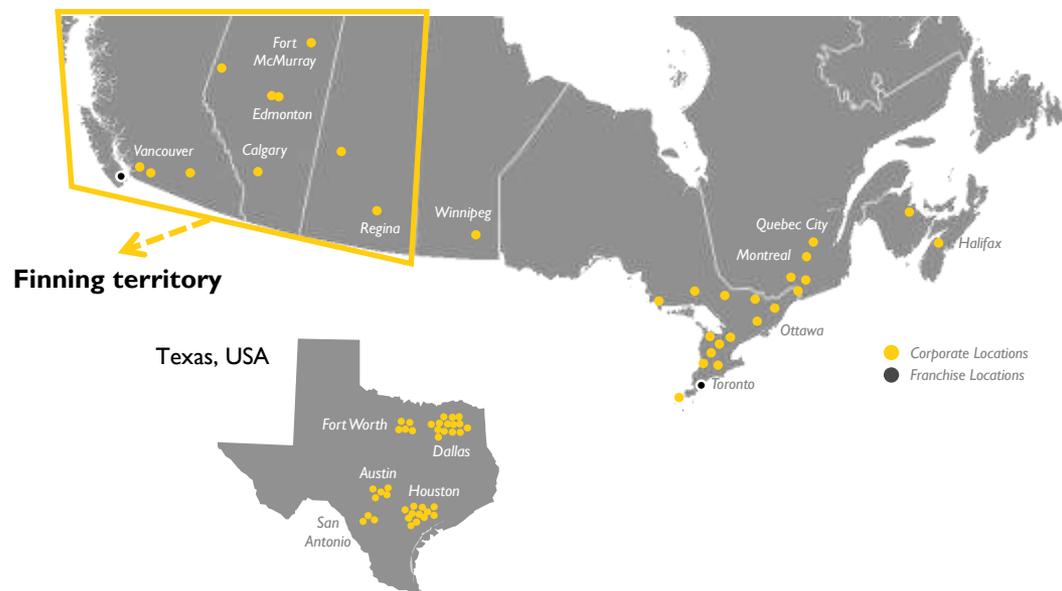
**740**

Volume CAGR<sup>(2)</sup>  
2013–2018E

**7.5%**

## Service coverage

Strong presence throughout Western Canada



## Highly diversified industrial customer base

**CONSTRUCTION**



**OIL & GAS**



**POWER**



**TRANSPORTATION**



**RAIL**



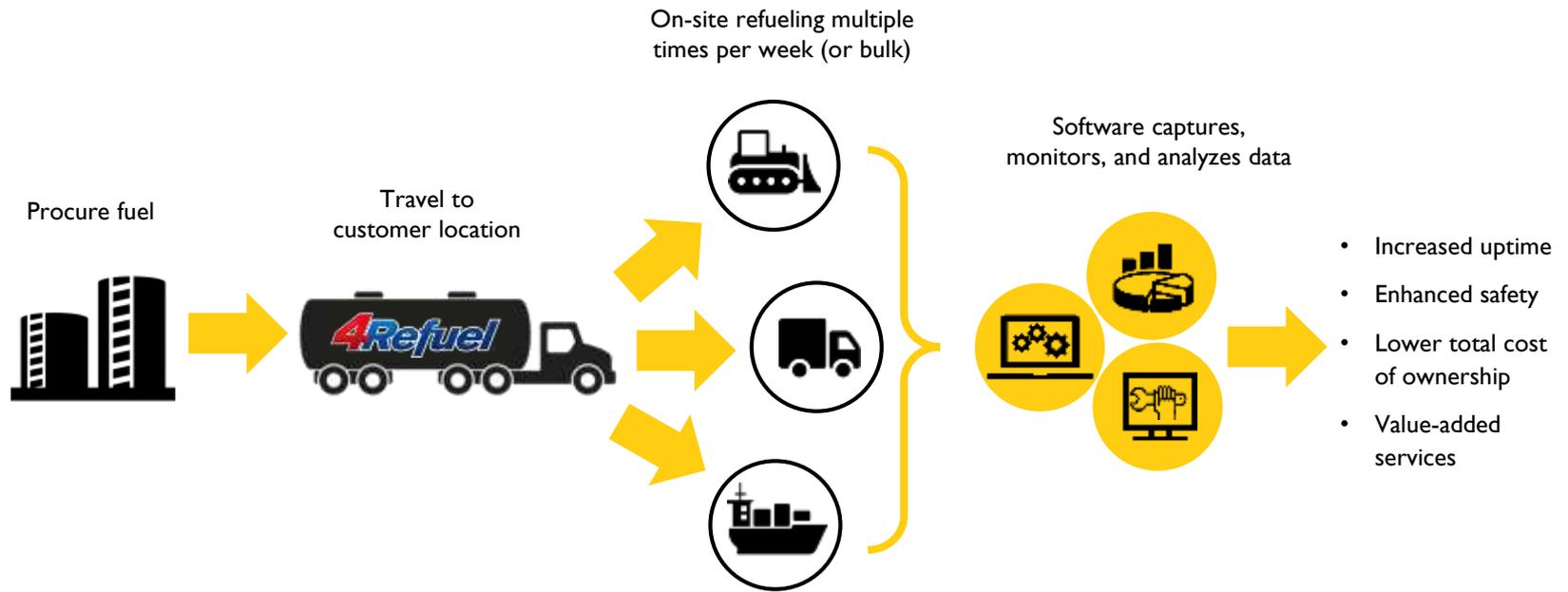
**MARINE**



<sup>(1)</sup> Net revenue is defined as revenue attributed to service fees for the delivery of fuel and is calculated as total revenue charged to customers less the cost of fuel which is paid in full by the customer

<sup>(2)</sup> Compound annual growth rate

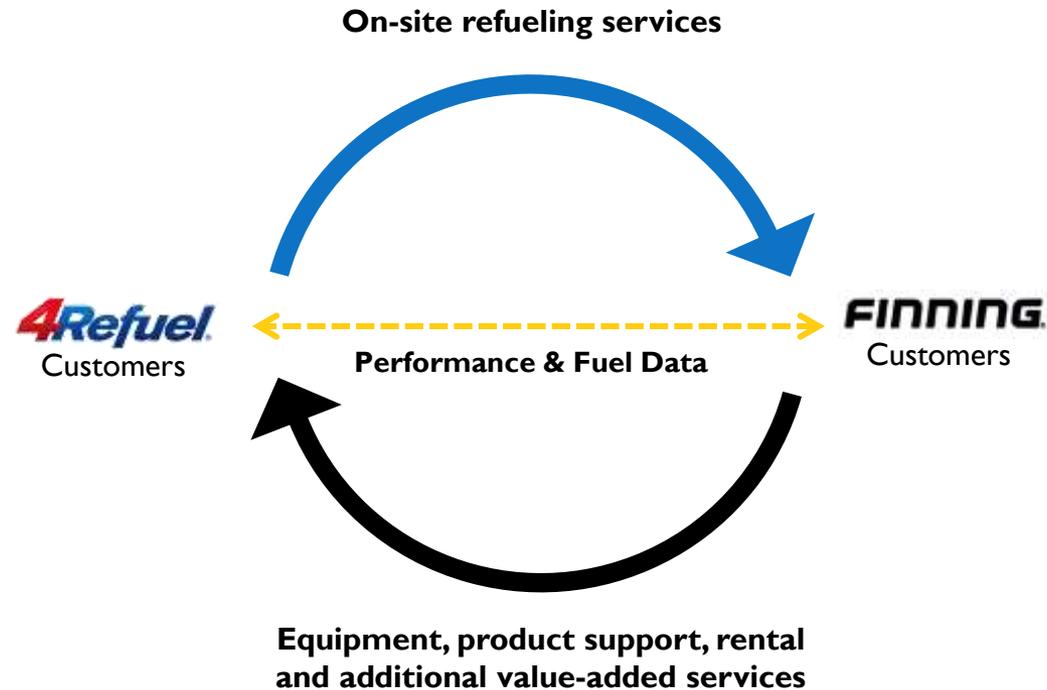
# 4Refuel – mission critical fuel supply as value-added service



## Canadian business

Customers	Fills Per Year	Recurring Revenue	Market Share of mobile on-site refueling service market	Length of Relationships average of top 10 customers
>3,400	5M	95%	25%	14 years

## Meaningful synergies



### Potential for:

- Sale of mobile on-site refueling service to Finning's customers
- Sale of equipment, product support, and rental to 4Refuel's customers
- Increased demand for digital and fleet management solutions
- Improved operating efficiencies through complementary geographies and supply chains

## Compelling strategic rationale

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### **Value-Added Service for Our Customers**

- 24x7, 365 days a year on-site service capabilities
- Significantly improves uptime and productivity of all equipment brands
- Lowers total cost of equipment ownership
- Additional customer benefits when combined with Finning's digital and product support capabilities



### **Benefits for Finning**

- Improves customer centricity and intimacy through multiple on-site service interactions per week
- Generates warm leads for new equipment and parts sales
- Opportunity to significantly grow mobile on-site refueling market penetration with Finning's 18,000+ customers in western Canada



### **Complementary Business**

- High-margin, recurring revenue business that serves diverse end-markets and broad industrial customer base
- Aligns with Finning's strategy of providing best-in-class customer service
- Ability to combine mobile on-site refueling solution with equipment sales, product support, and rental