

# Q3 2023 Results

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

**90**  
**YEARS**  
1933-2023

## Go-Forward Strategic Priorities

✓ Our people are our biggest competitive advantage

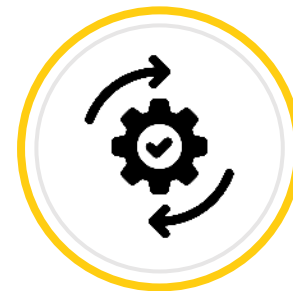
✓ Fostering a safe, secure, and prosperous place to work

✓ Empowering our people to build customer loyalty

Drive Product Support

Full Cycle Resilience

Sustainable Growth



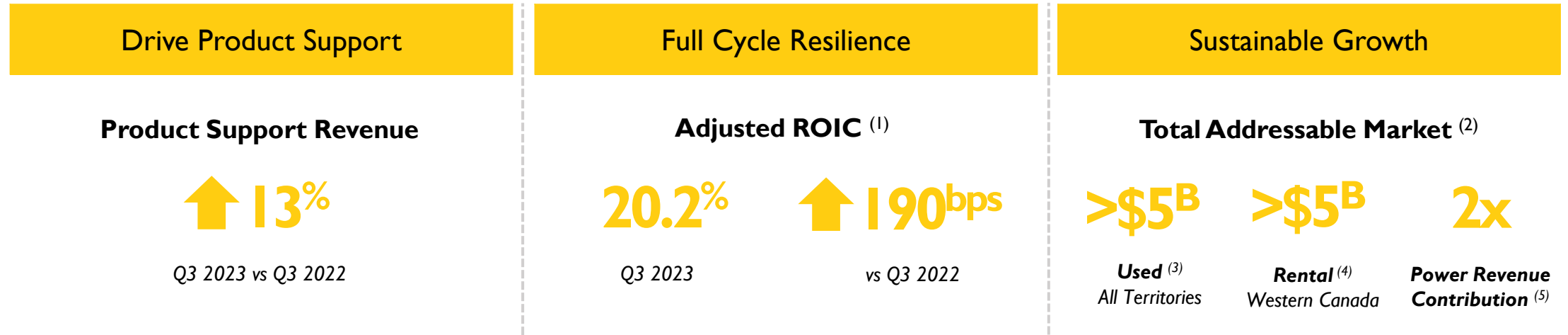
Continued profitable growth of core value driver

Earnings consistency

Targeted addressable market growth in used, rental, and power

**Focus on delivering strong return on invested capital through all market conditions**

# Executing our Strategy and Building on Positive Momentum



Strong Business Focused on Customer Service and Long-Term Sustainable Growth

**Premium Business | Mobilizing**

Significant growth opportunities in mining and beyond

**Resilient | Agile**

Sharing cost and capital efficiency practices

**Steady Growth**

Largest addressable market in rental, used, and power

<sup>(1)</sup> This is a specified financial measure. See slide 11 for more information. <sup>(2)</sup> This is forward-looking information. See slide 10 for more information. <sup>(3)</sup> Finning estimate based on RBA public disclosures and Finning market exposure  
<sup>(4)</sup> IBISWorld Heavy Equipment Rental In Canada Report, October 2022 <sup>(5)</sup> Long-term revenue contribution potential (as % of total revenue) through the energy transition

# Q3 2023 Results

	vs Q3 2022
<b>Net Revenue</b> <b>\$2.4B</b>	<b>↑ 16%</b>
<b>EBIT</b> <b>\$252M</b>	<b>↑ 12%</b>
<b>EPS</b> <b>\$1.07</b>	<b>↑ 9%</b>

## Q3 2023 Summary

- Revenue growth led by mining, with large equipment deliveries and strong product support volumes
- Power systems revenues up across all regions on strong demand and project execution
- Solid operating margins, with SG&A as % of net revenue <sup>(1)</sup> <17%
- Healthy equipment backlog and service levels

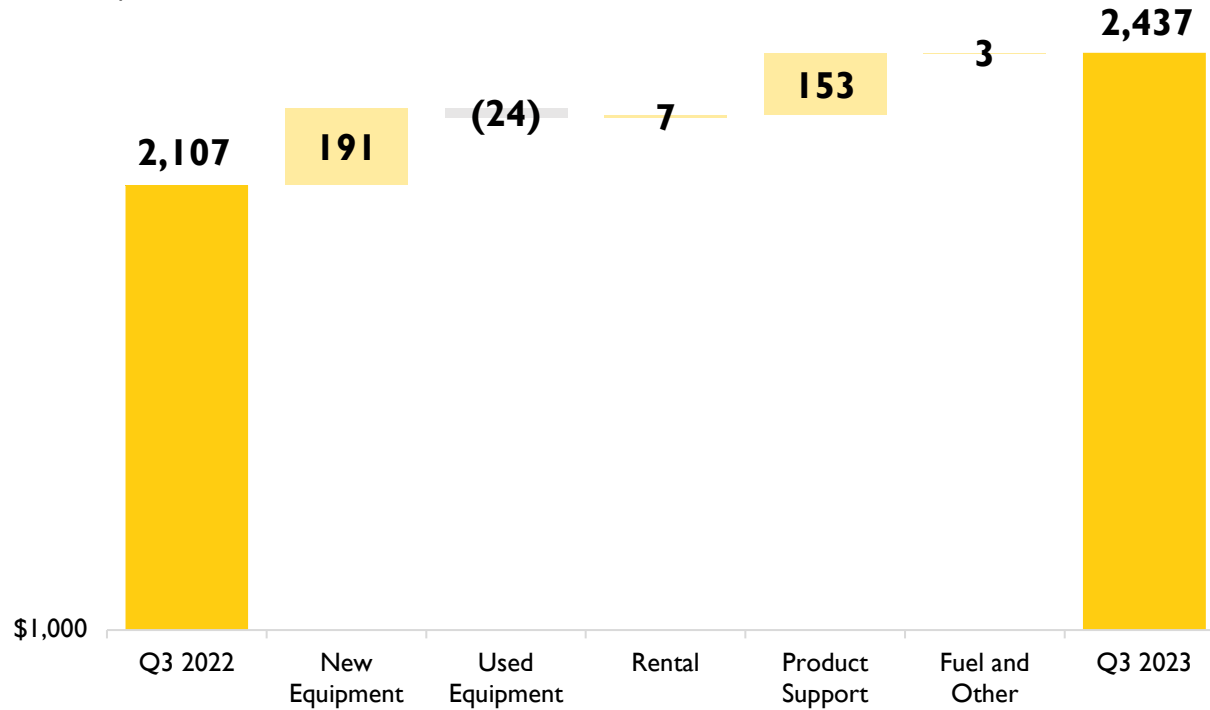
Q3 2023 Financial Statistics			
\$ millions, except EPS		Key Ratios	
Revenue	2,704	Invested capital turnover <sup>(1)</sup>	2.08 times
Net revenue <sup>(1)</sup>	2,437	Working capital to net revenue <sup>(1)</sup>	27.6%
EBIT	252	Inventory turns (dealership) <sup>(1)</sup>	2.58 times
EPS	\$1.07	Adjusted ROIC	20.2%
Free cash flow <sup>(2)</sup>	-	Net debt to Adjusted EBITDA <sup>(1)</sup>	1.8 times

<sup>(1)</sup> This is a specified financial measure. See slide 11 for more information.

<sup>(2)</sup> This is a non-GAAP financial measure. See slide 11 for more information.

# Q3 2023 Net Revenue

**Net Revenue by Line of Business**  
\$ millions

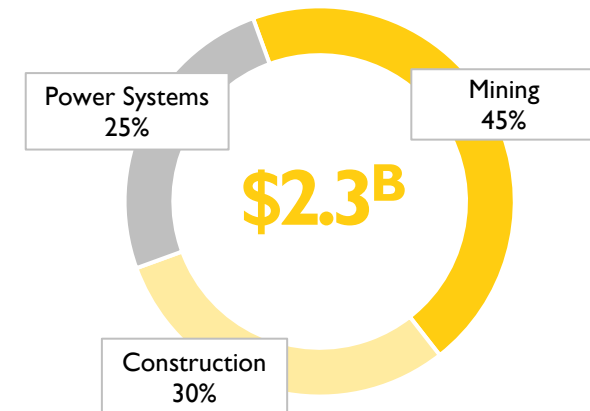


All comparisons are to Q3 2022 results unless indicated otherwise

## Q3 2023 Revenue Highlights

- New equipment sales up 28%, driven primarily by mining deliveries and higher power systems sales
- Broad based growth in product support across all regions, led by mining
- Equipment backlog<sup>(1)</sup> down slightly from June 30, 2023. Higher backlog in South America, driven by significant mining orders, was offset by lower equipment backlog in Canada due to strong deliveries, and lower equipment backlog in the UK & Ireland.

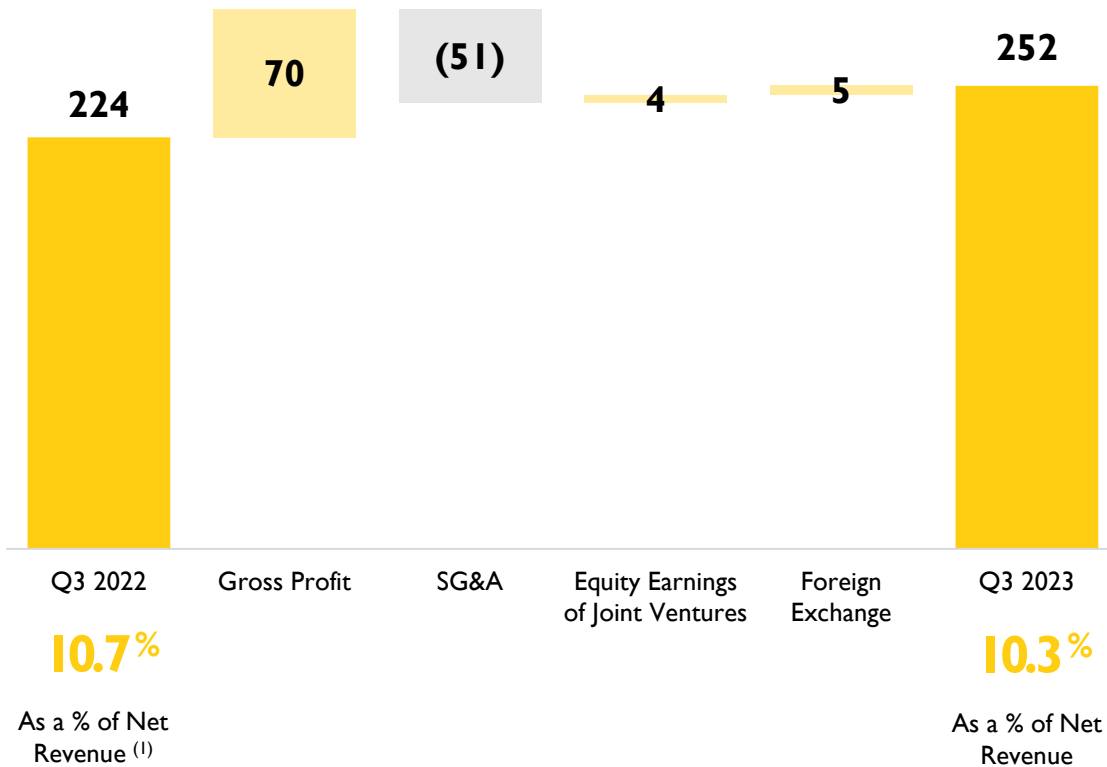
**Equipment Backlog**  
At Sep 30, 2023



<sup>(1)</sup> This is a specified financial measure. See slide 11 for more information.

# Q3 2023 EBIT

**EBIT**  
\$ millions



All comparisons are to Q3 2022 results unless indicated otherwise

## Q3 2023 EBIT Highlights

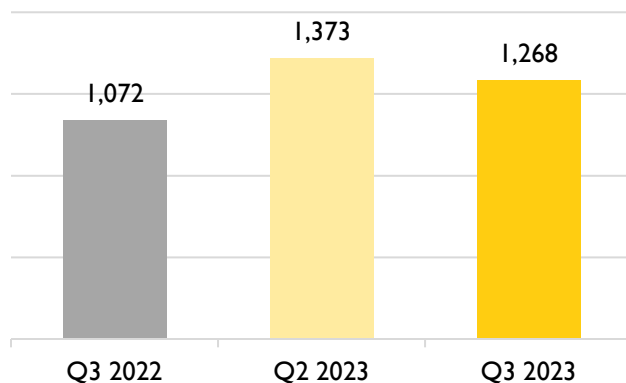
- Gross profit up 14% on strong new equipment and product support volumes
- Gross profit as a % of net revenue <sup>(1)</sup> down 30 basis points primarily due to a higher proportion of large mining deliveries in the revenue mix
- SG&A as a % of net revenue of 16.9% up slightly from Q3 2022 reflecting higher people and variable costs associated with strong revenue growth, as well as higher facility costs

<sup>(1)</sup> This is a specified financial measure. See slide 11 for more information.

# Q3 2023 Results – Canada

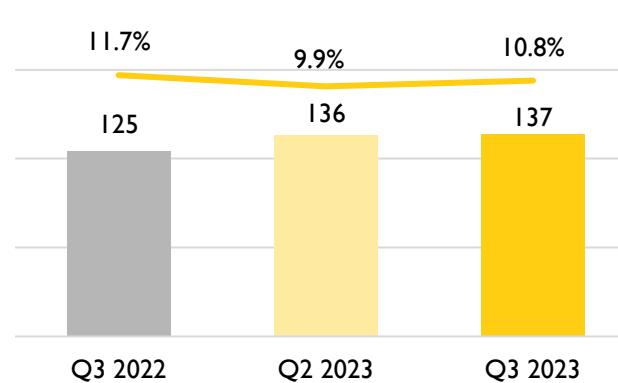
## Net Revenue

\$ Millions



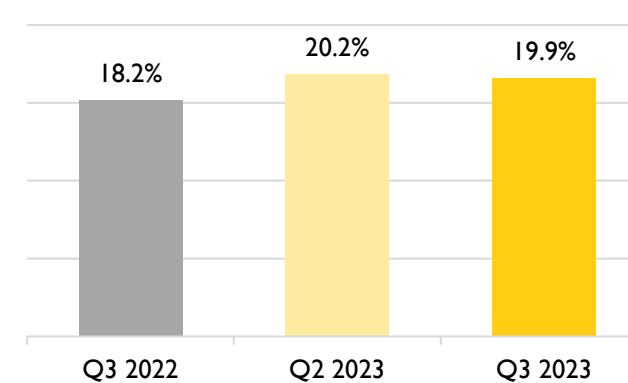
## EBIT

\$ Millions, as a % of Net Revenue



## Adjusted ROIC

Adjusted, 4 Quarter Average



All comparisons are to Q3 2022 results unless indicated otherwise

### Q3 2023 Commentary

- New equipment sales up 57%, led by mining deliveries to oil sands customers
- Product support revenue up 10%, driven primarily by mining
- Strong growth in power systems business; power systems backlog is up significantly from Sep 30, 2022
- Adjusted ROIC up 170 basis points, driven by improved invested capital turnover and strong operating margins

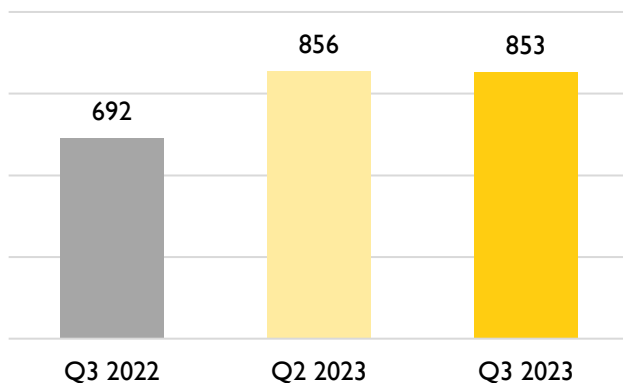
### Market Outlook <sup>(1)</sup>

- Broad-based strength across diverse end markets
- Mining and energy customers are steadily increasing investment to renew, maintain, and rebuild aging fleets. Expect increased activity and growing production upon completion of major pipelines.
- Ongoing commitment from federal and provincial governments to infrastructure development
- Growing demand for sustainable electric power solutions

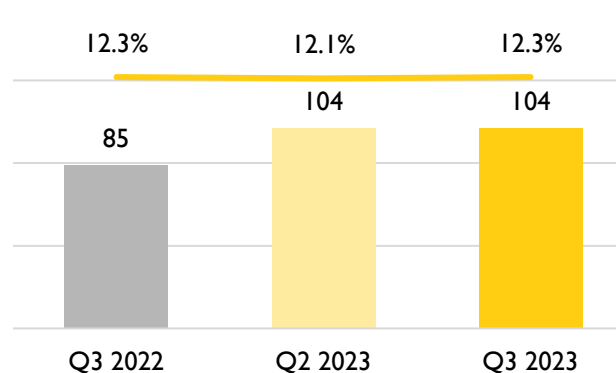
<sup>(1)</sup> This is forward-looking information. See slide 10 for more information.

# Q3 2023 Results – South America

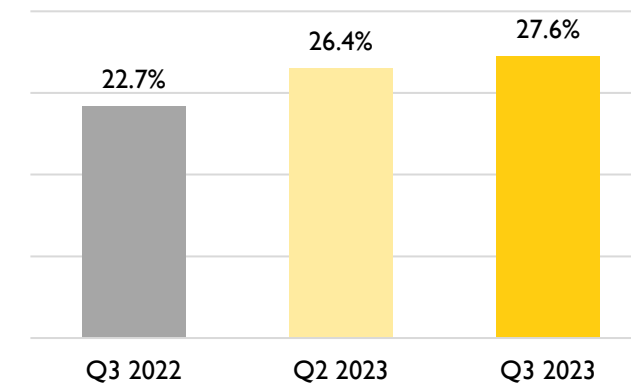
## Net Revenue \$ Millions



## EBIT \$ Millions, as a % of Net Revenue



## Adjusted ROIC 4 Quarter Average



All comparisons are to Q3 2022 results in functional currency unless indicated otherwise

### Q3 2023 Commentary

- New equipment sales up 37%, driven by deliveries of large mining equipment in Chile
- Product support revenue up 12%, led by strong mining activity in Chile
- Higher power systems and construction revenues compared to Q3 2022
- Strong operating margin, above 12%
- Adjusted ROIC of 27.6% at a record level, up 490 basis points

### Market Outlook <sup>(1)</sup>

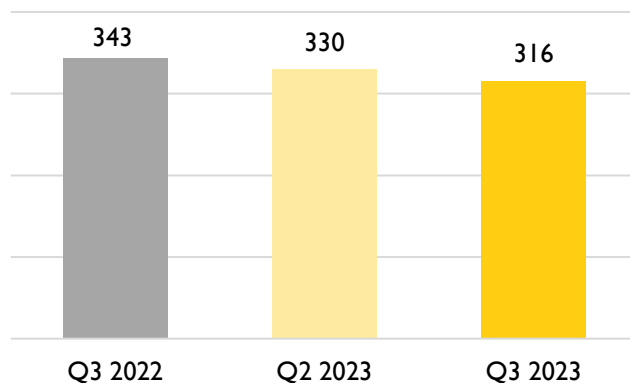
- Strong outlook for Chile mining underpinned by growing demand for copper, improving political clarity, recent government approvals of large-scale brownfield expansions, and increasing customer confidence to invest
- Healthy demand from large contractors supporting mining infrastructure and stable infrastructure construction activity in Chile
- Strong power systems activity in industrial and data centre markets
- In Argentina, the prolonged import and currency restrictions associated with the election process increase our risk and likelihood of losses and negative tax impacts in the fourth quarter

<sup>(1)</sup> This is forward-looking information. See slide 10 for more information.

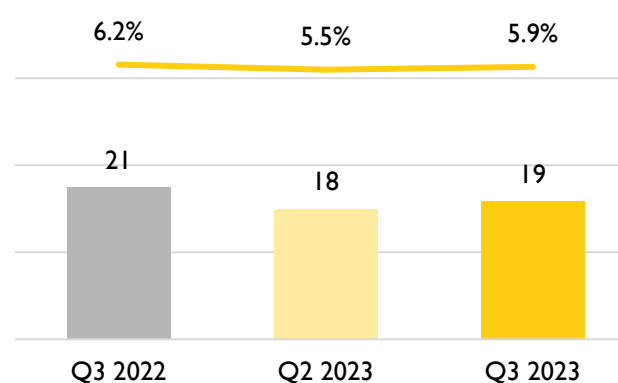


# Q3 2023 Results – UK & Ireland

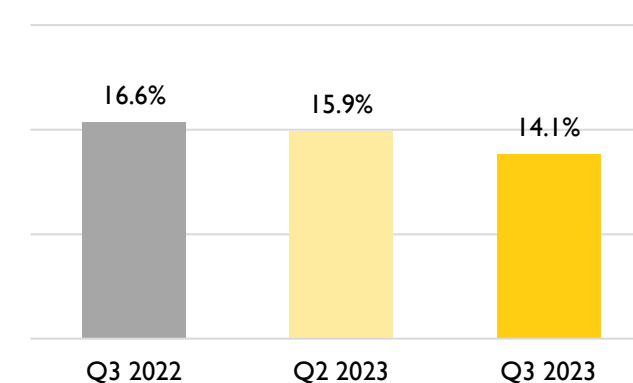
## Net Revenue \$ Millions



## EBIT \$ Millions, as a % of Net Revenue



## Adjusted ROIC 4 Quarter Average



All comparisons are to Q3 2022 results in functional currency unless indicated otherwise

### Q3 2023 Commentary

- New equipment sales down 26%; lower sales in construction were partially offset by higher sales in power systems (Q3 2022 construction sales benefitted from HS2 deliveries)
- Product support revenue up 6%, driven by strong customer activity and equipment utilization in power systems
- Solid profitability reflected continued focus on growing product support

### Market Outlook <sup>(1)</sup>

- Expect lower construction sales in 2023 vs 2022 due to completion of HS2 deliveries
- Product support activity in construction expected to remain resilient driven by steady machine utilization and growing contribution from Hydraquip
- Continued strong demand for power systems business for both primary and backup power generation

<sup>(1)</sup> This is forward-looking information. See slide 10 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 plans for targeted addressable market growth in used equipment, rental and power on slide 3 (assumes areas identified for growth will result in anticipated revenue); our market outlook for Canada on slide 7 (based on assumptions of growth in production in the energy sector from additional capacity upon completion of major pipelines, continued strong demand for product support, constructive commodity prices, continued steady increase in mining and energy customers to renew, maintain and rebuild aging fleets, ongoing commitment from federal and provincial governments to infrastructure development, and continued growth in demand for sustainable electric power solutions); our market outlook for South America on slide 8, including our strong outlook for Chile mining (based on assumptions of continued growth in demand for copper, improving political clarity, government approvals of large-scale brownfield expansions (assumes projects will proceed as anticipated), and increasing customer confidence to invest), our expectations for continued strong demand from large contractors supporting mining operations, and continued strong demand in power systems in industrial and data centre markets, and for Argentina, our expectations for continued elevated risk and volatility (based on assumptions of the added uncertainty associated with their election process in an already challenging fiscal, regulatory, currency and tax environment); and our market outlook for the UK and Ireland on slide 9, including our expectation for lower construction new equipment sales in 2023 compared to 2022 (based on completion of HS2 deliveries), resilient product support activity in construction (based on assumptions of continued steady machine utilization rates and growing contribution from Hydraquip), and for continued strong demand in power systems for both primary and backup power generation. 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 (including our strategic priorities outlined at our 2023 Investor Day), successfully manage our business through volatile commodity prices, high inflation, increasing interest rates, supply chain challenges and the impacts of the Russia-Ukraine war; and successfully execute our strategies to win customers, achieve full cycle resilience (based on assumptions that steps to reduce corporate overhead, drive productivity and optimize working capital while supporting strong business growth will be successful and sustainable) and continue business momentum (based on assumptions that we will be able to continue to source and hire technicians, build capabilities and capacity and successfully and sustainably improve workshop efficiencies). 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](http://www.finning.com)) and under our profile on SEDAR ([www.sedar.com](http://www.sedar.com)).

# Disclosures

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## 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 Q3 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 Q3 2023 MD&A.

## 2023 – 2024 Earnings Schedule

All dates and times are preliminary and subject to change

<b>Quarter</b>	<b>Release Date</b> <i>after market close</i>	<b>Investor Call Date</b>	<b>Investor Call Time</b> <i>Eastern</i>
Q4 2023	February 6, 2024	February 7, 2024	10:00 AM
Q1 2024	May 6, 2024	May 7, 2024	10:00 AM
Q2 2024	August 6, 2024	August 7, 2024	10:00 AM