

Q1 2024 Results

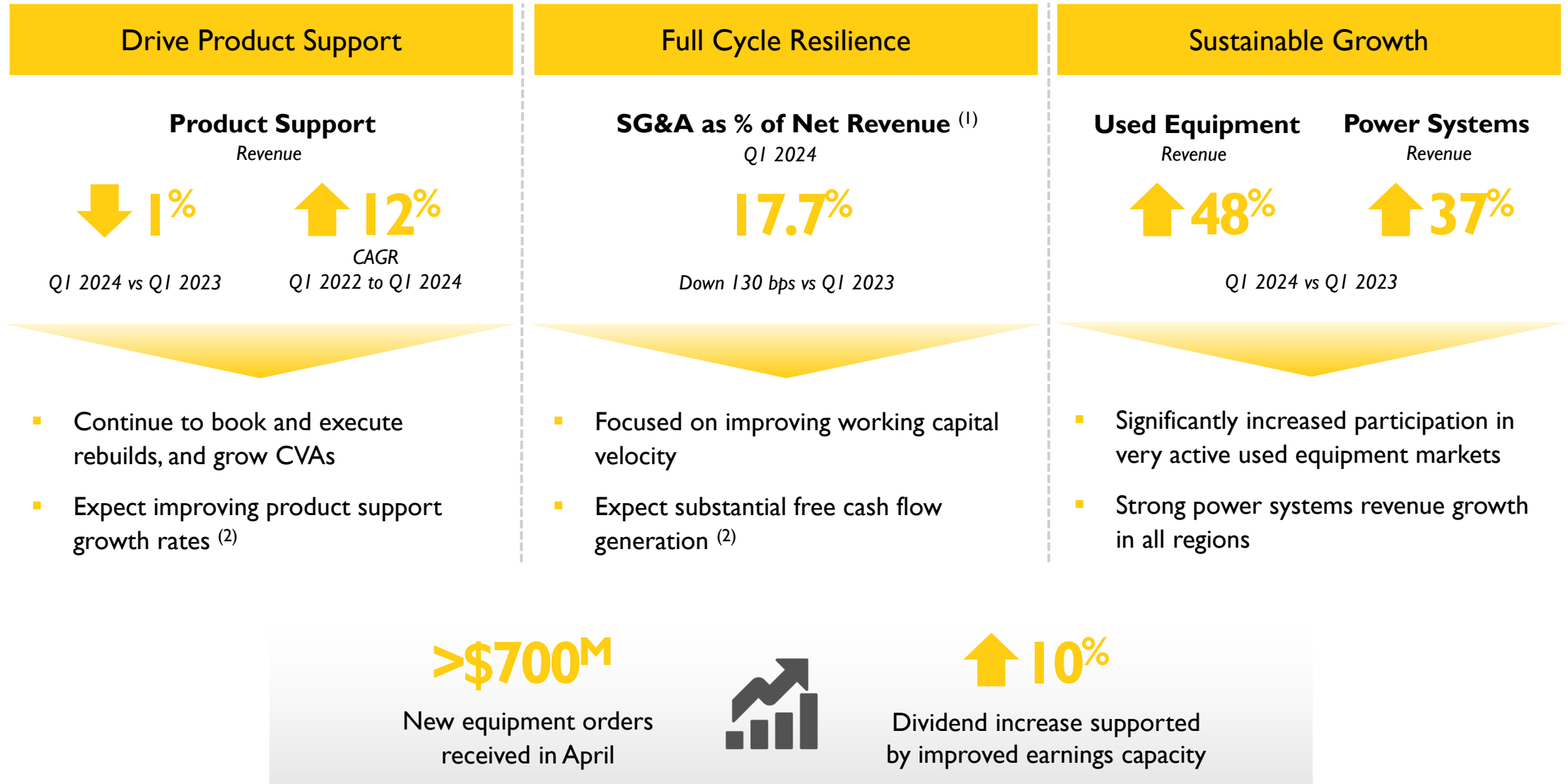
Kevin Parkes
President and CEO

Greg Palaschuk
EVP and CFO

May 7, 2024

See slides 9 and 10 for important information on forward-looking information, currency, and specified financial measures, including non-GAAP financial measures

Building Momentum by Diligently Executing our Strategy



⁽¹⁾ This is a specified financial measure. See slide 10 for more information. ⁽²⁾ This is forward-looking information. See slide 9 for more information.

Q1 2024 Results

	vs Q1 2023
<p>Net Revenue</p> <p>\$2.3B</p>	<p>↑ 9%</p>
<p>EBIT</p> <p>\$202M</p>	<p>↓ 7% vs Adjusted Q1 2023 ⁽²⁾</p>
<p>EPS</p> <p>\$0.84</p>	<p>↓ 5%</p>

Q1 2024 Summary

- Healthy customer activity in mining and power systems
- Important wins in copper mining, oil sands, and data centre markets
- Diligent execution of strategic priorities helping offset the impact of lower product support revenue
- Argentina risk levels reduced, and business returned to profitability

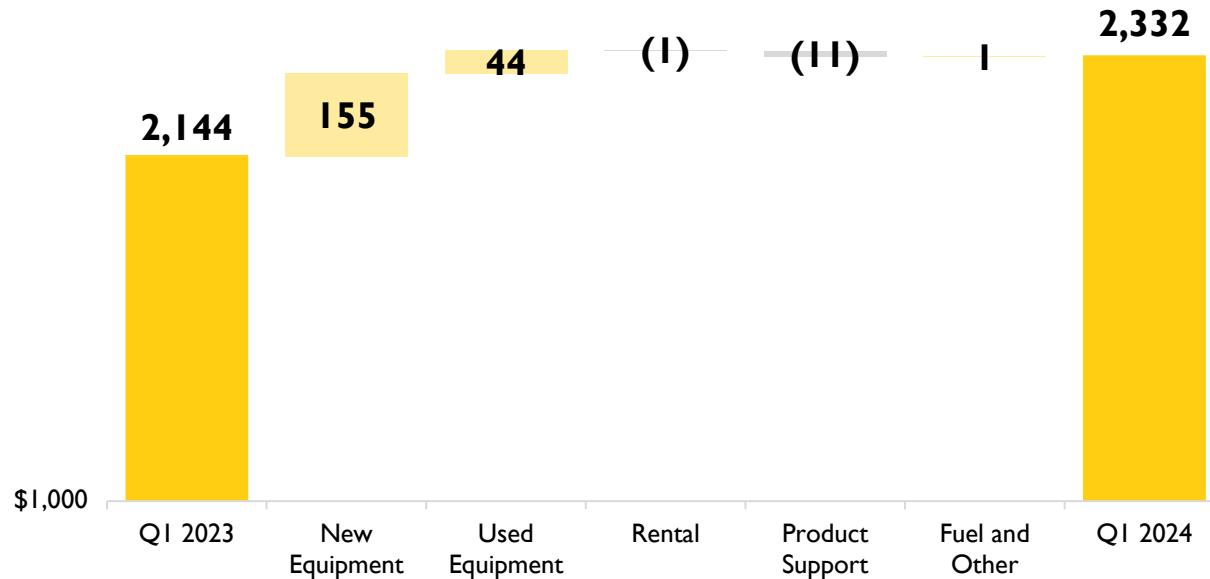
Q1 2024 Financial Statistics			
\$ millions, except EPS		Key Ratios	
Revenue	2,584	Invested capital turnover ⁽¹⁾	2.00 times
Net revenue ⁽¹⁾	2,332	Working capital to net revenue ⁽¹⁾	29.0%
EBIT	202	Inventory turns (dealership) ⁽¹⁾	2.34 times
EPS	\$0.84	Adjusted ROIC ⁽¹⁾	19.1%
Free cash flow ⁽²⁾	(210)	Net debt to Adjusted EBITDA ⁽¹⁾	1.9 times

⁽¹⁾ This is a specified financial measure. See slide 10 for more information.

⁽²⁾ This is a non-GAAP financial measure. See slide 10 for more information.

Q1 2024 Net Revenue

Net Revenue by Line of Business \$ millions

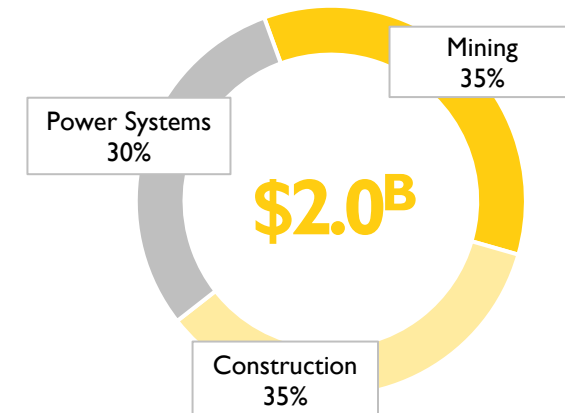


All comparisons are to Q1 2023 results unless indicated otherwise

Q1 2024 Revenue Highlights

- New equipment sales up 25% led by backlog deliveries and strong demand in mining and power systems
- Used equipment sales up 48%, higher in all regions, reflecting execution of strategic initiatives
- Product support revenue down 1%, mostly due to lower construction activity in Canada and the UK & Ireland
- Equipment backlog ⁽¹⁾ maintained at Dec 31, 2023 levels. Order intake in South America and the UK & Ireland outpaced deliveries in Q1 2024.

Q1 2024 Equipment Backlog At March 31, 2024

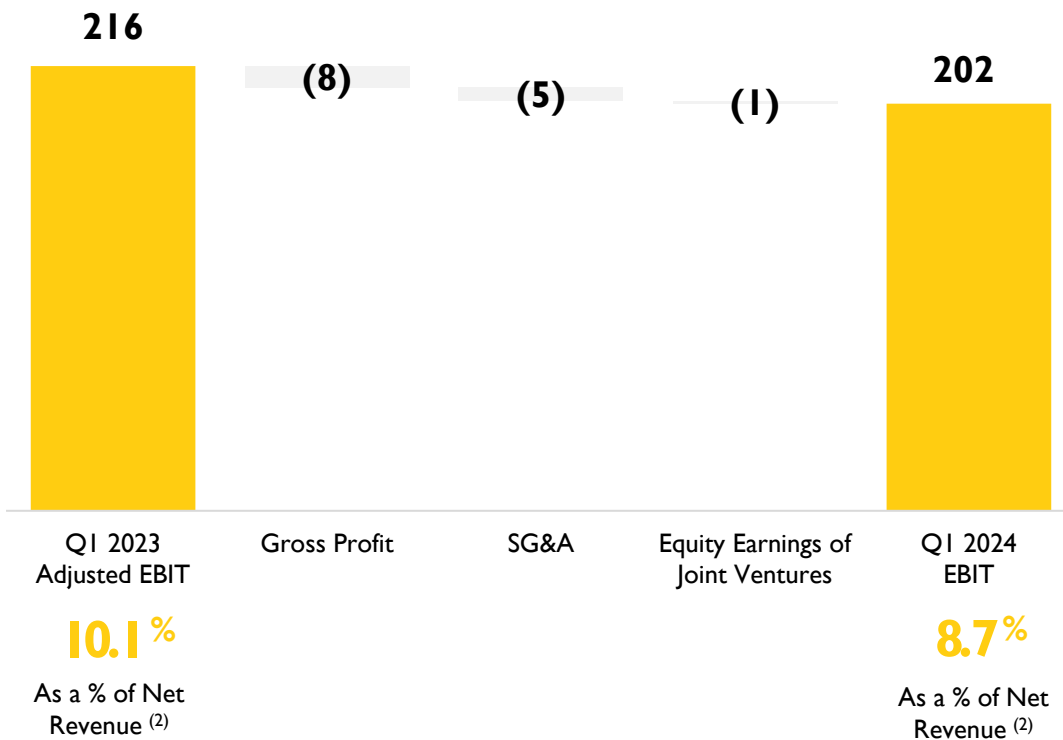


New equipment orders received in April are not included in Q1 2024 backlog

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Q1 2024 EBIT

EBIT ⁽¹⁾
\$ millions



All comparisons are to Adjusted Q1 2023 results unless indicated otherwise

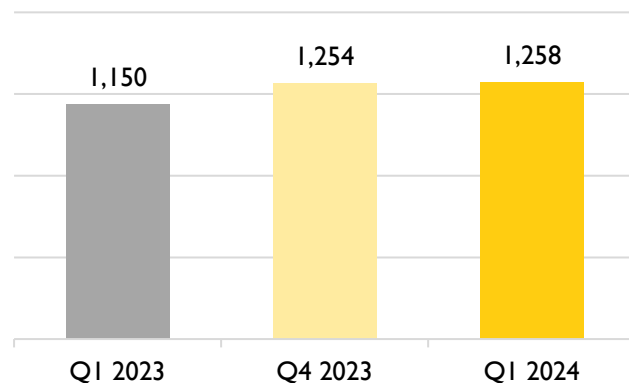
Q1 2024 EBIT Highlights

- Gross profit as a % of net revenue ⁽²⁾ down 260 bps primarily driven by the shift in revenue mix to new and used equipment sales
- Lower margins in rental and used equipment
- Half of the decline in gross profit as a % of net revenue was offset by lower SG&A as a % of net revenue
- SG&A as a % of net revenue down 130 bps to 17.7% demonstrating operating leverage to higher revenue and strong cost control

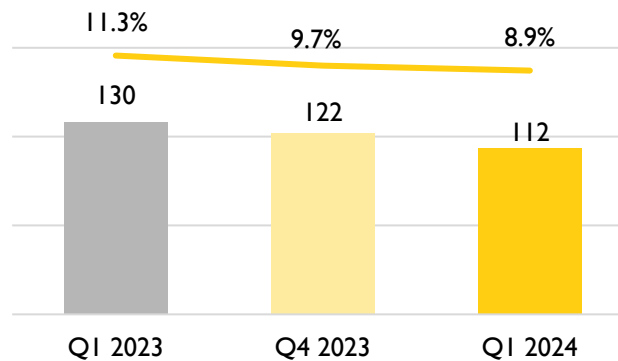
⁽¹⁾ Change presented on a currency neutral basis; there was no foreign exchange impact on Q1 2024 EBIT. ⁽²⁾ This is a specified financial measure. See slide 10 for more information.

Q1 2024 Results – Canada

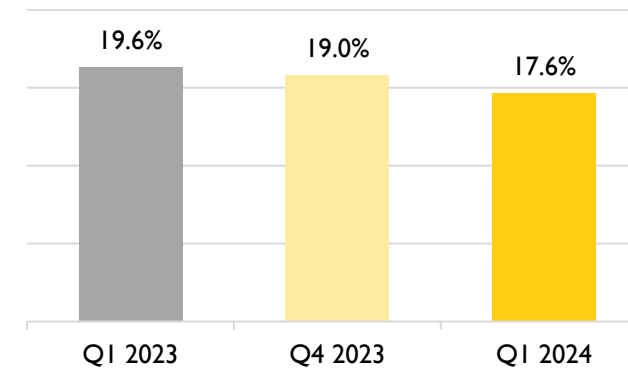
Net Revenue \$ Millions



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



Adjusted ROIC 4 Quarter Average



All comparisons are to Adjusted Q1 2023 results unless indicated otherwise

Q1 2024 Commentary

- New equipment sales up 39%, strong across all sectors
- Used equipment sales up 37%, driven by conversions of RPOs⁽¹⁾ to sales, and stronger volumes across retail and wholesale channels
- Product support revenue down 4%. Completion of major projects impacted construction activity, and challenging operating conditions reduced equipment utilization hours in most sectors
- EBIT as a percentage of net revenue down 240 bps to 8.9% mostly due to a higher proportion of new equipment sales in the revenue mix



20 CAT ultra-class trucks for an oil sands operator for delivery starting Q3-24

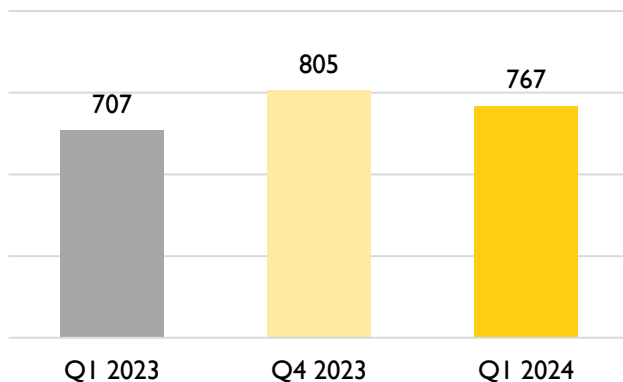
Market Outlook ⁽²⁾

- Expect increased activity and production growth in the energy sector following completion of major pipelines
- Mining and energy customers are expected to increase spending levels, including investment to renew, maintain, and rebuild aging fleets
- Expect strong demand for product support in the oilsands, including component remanufacturing and rebuilds
- Ongoing commitment from federal and provincial governments to infrastructure development
- Growing demand for sustainable electric power solutions

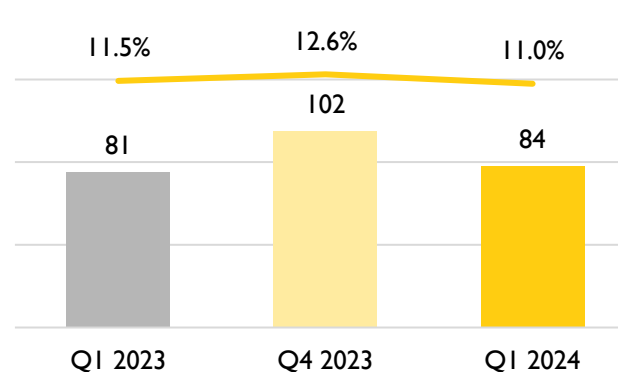
⁽¹⁾ Rental equipment with purchase options ⁽²⁾ This is forward-looking information. See slide 9 for more information.

Q1 2024 Results – South America

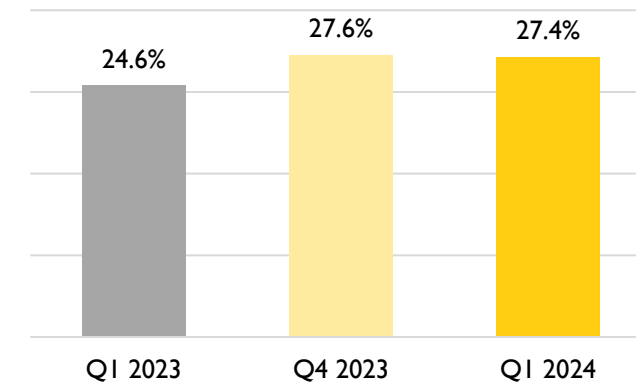
Net Revenue \$ Millions



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



Adjusted ROIC 4 Quarter Average



All comparisons are to Adjusted Q1 2023 results in functional currency unless indicated otherwise

Q1 2024 Commentary

- New equipment sales up 20%, driven by mining deliveries
- Product support revenue up 4%, with increased activity in all sectors. Parts sales up 7%, partly offset by lower service revenue due to a weaker Chilean peso relative to the US dollar compared to Q1 2023
- EBIT as a percentage of net revenue down 50 bps to 11.0% due to a higher proportion of low margin mining equipment sales in revenue mix
- Reduced Argentina’s risk levels and returned the business to profitability

\$550M

Mining equipment orders for delivery starting Q3-24, including \$380M for Codelco multiple mines



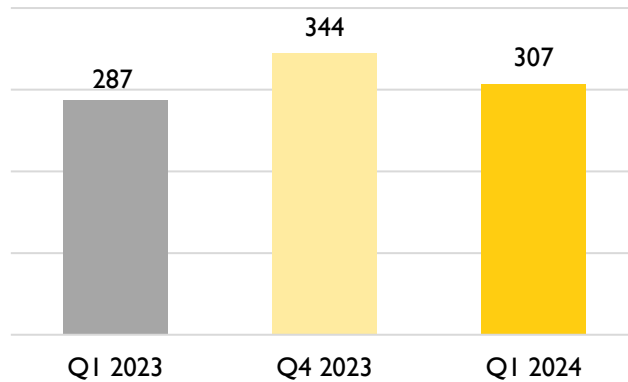
Market Outlook ⁽¹⁾

- Strong outlook for Chile mining underpinned by growing demand for copper, strengthening copper price, government approvals of large-scale brownfield expansions, and increasing customer confidence to invest
- Broad-based increase in quoting, tender and award activity for mining equipment, product support, and technology solutions
- 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 Chile
- In Argentina, we are taking a low-risk approach in 2024

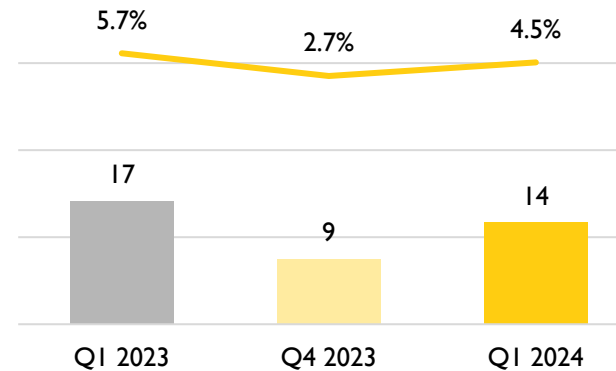
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Q1 2024 Results – UK & Ireland

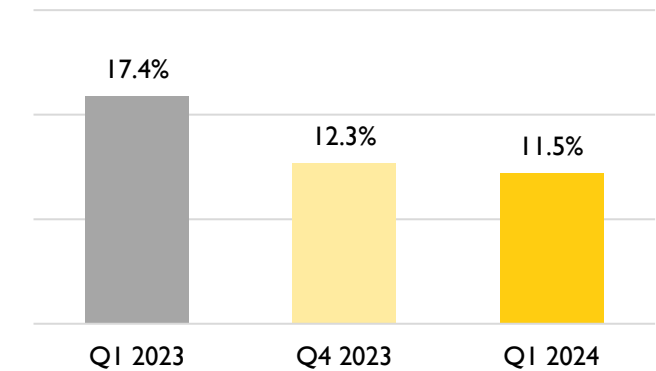
Net Revenue
\$ Millions



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



Adjusted ROIC
4 Quarter Average



All comparisons are to Adjusted Q1 2023 results in functional currency unless indicated otherwise

Q1 2024 Commentary

- New equipment sales comparable to Q1 2023, with higher power systems deliveries offset by lower sales in construction due to soft market activity
- Used equipment sales nearly doubled from Q1 2023 as we work to increase our participation in the used equipment market
- Product support revenue down 7%, due to lower customer activity and reduced machine utilization hours
- EBIT as a percentage of net revenue down 120 bps due to lower proportion of product support in the revenue mix and continued inflationary cost pressures



Continue to win large data centre orders

Market Outlook ⁽¹⁾

- Expect demand for new construction equipment to remain soft, reflecting low GDP growth projected in 2024
- Expect growing contribution from used equipment and power systems as we continue to execute on our strategy
- Continued strong demand for power systems business for both primary and backup power generation, particularly in the data centre market
- Product support activity expected to remain resilient driven by growth in rebuilds and Customer Value Agreements

⁽¹⁾ This is forward-looking information. See slide 9 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 executing our strategy and growing our business in 2024; our expected 2024 Earnings Schedule, including the dates and timing for related events and filings; our market outlook for Canada on slide 6, including our expectation of increased activity in the energy sector following completion of major pipelines, our expectation that mining and energy customers will increase spending levels, including investment to renew, maintain, and rebuild aging fleets, our expectations of strong demand for product support in the oilsands, including component remanufacturing and rebuilds, our assumptions of ongoing commitments from federal and provincial governments to infrastructure development, and our expectations of growing demand for sustainable electric power solutions; our market outlook for South America on slide 7, including our strong outlook for Chile mining (based on assumptions of growing demand for copper, strengthening copper price, government approvals of large-scale brownfield expansions, and increasing customer confidence to invest), our expectations for broad-based increases in quoting, tender and award activity for mining equipment, product support, and technology solutions, our expectations for healthy demand from large contractors supporting mining infrastructure; our expectations for stable infrastructure construction activity in Chile, and our expectations for continued strong power systems activity and data centre markets in Chile, and for Argentina, and our plan to take a low-risk approach in 2024; and our market outlook for the UK and Ireland on slide 8, including our expectations for demand for new construction equipment to remain soft (based on our assumption of low GDP growth projected in 2024), our expectations of growing contribution from used equipment and power systems as we continue to execute on our strategy, our expectations for continued strong demand for power systems business for both primary and backup power generation (particularly in the data centre market), and our expectations that product support activity will remain resilient driven by steady machine utilization, rebuilds, and growth in Customer Value Agreements. 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, and supply chain challenges, 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); that commodity prices will remain at constructive levels; that our customers will not curtail their activities; that general economic and market conditions will be maintained; that the level of customer confidence and spending, and the demand for, and prices of, our products and services will be maintained; that support and demand for renewable energy will continue to grow; that present supply chain and inflationary challenges will not materially impact large project deliveries in our equipment backlog; that we will successfully execute initiatives to reduce our GHG emissions and support our customers on their individual GHG reduction pathways; our ability to attract and retain skilled staff; market competition will remain at similar levels; the products and technology offered by our competitors will be as expected; identified opportunities for growth will result in revenue; that we have sufficient liquidity to meet operational needs; consistent and stable legislation in the various countries in which we operate; no disruptive changes in the technology environment; our current good relationships with Caterpillar, our customers and our suppliers, service providers and other third parties will be maintained and that Caterpillar and such other suppliers will deliver quality, competitive products with supply chain continuity; sustainment of strengthened oil prices; completion of major pipelines and the resulting increased activity in the energy sector; that demand for sustainable electric power solutions in Western Canada will continue to grow; quoting activity for requests for proposals for equipment and product support is reflective of opportunities; and strong recoveries in the regions that we operate. 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.sedarplus.ca).

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 2024 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 2024 MD&A.

2024 Earnings Schedule

All dates and times are preliminary and subject to change

Quarter	Release Date <i>after market close</i>	Investor Call Date	Investor Call Time <i>Eastern</i>
Q2 2024	August 6, 2024	August 7, 2024	10:00 AM
Q3 2024	November 12, 2024	November 13, 2024	10:00 AM
Q4 2024	February 4, 2025	February 5, 2025	10:00 AM