

Q2 2024 Results

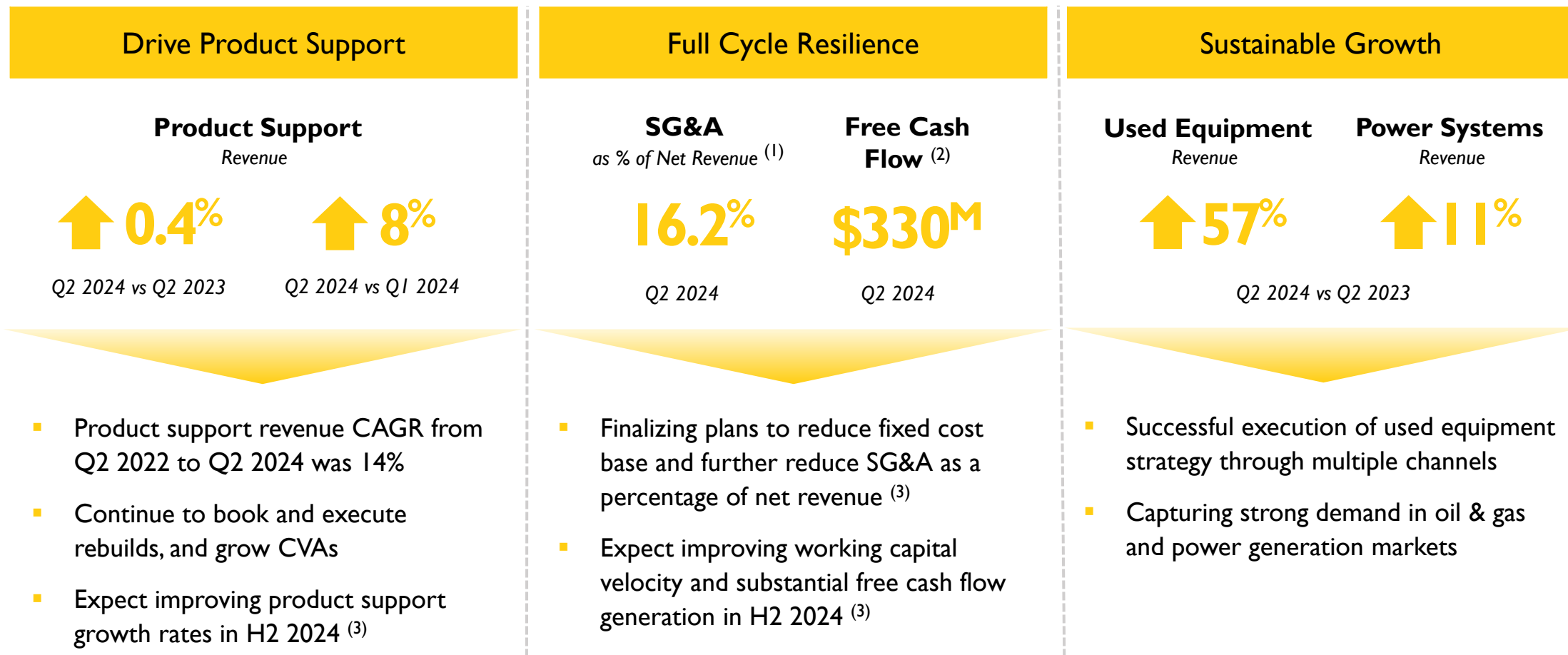
Kevin Parkes
President and CEO

Greg Palaschuk
EVP and CFO

August 7, 2024

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

Diligently Executing our Strategy



Delivered record EPS and free cash flow for Q2

⁽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. ⁽³⁾ This is forward-looking information. See slide 9 for more information.

Q2 2024 Results

	vs Q2 2023
Net Revenue \$2.6B	↑ 3%
EBIT \$228M	↓ 5%
EPS \$1.02	↑ 2%

Q2 2024 Summary

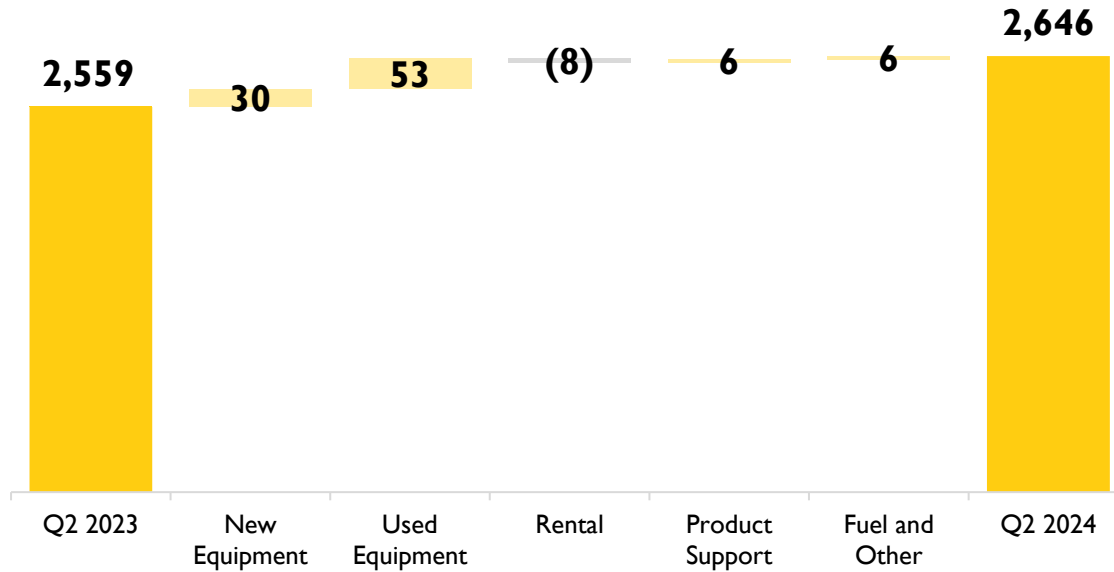
- Executing used equipment and power systems growth strategy
- Higher velocity in delivering new equipment orders
- Product support revenue grew 0.4% from a very strong Q2 2023 and improved sequentially in all regions
- Demonstrating strong cost and capital resilience

Q2 2024 Financial Statistics			
<i>\$ millions, except EPS</i>		<i>Key Ratios</i>	
Revenue	2,920	Invested capital turnover ⁽¹⁾	1.99 times
Net revenue ⁽¹⁾	2,646	Working capital to net revenue ⁽¹⁾	29.5%
EBIT	228	Inventory turns (dealership) ⁽¹⁾	2.44 times
EPS	\$1.02	Adjusted ROIC ⁽¹⁾	18.5%
Free cash flow	330	Net debt to Adjusted EBITDA ⁽¹⁾	1.8 times

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

Q2 2024 Net Revenue

Net Revenue by Line of Business \$ millions

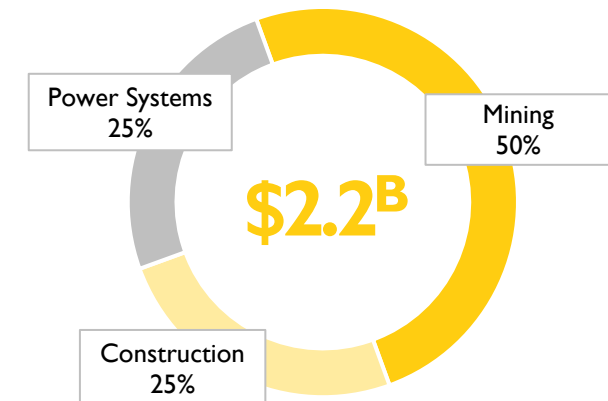


All comparisons are to Q2 2023 results unless indicated otherwise

Q2 2024 Revenue Highlights

- Used equipment sales up 57%, higher in all regions, reflecting execution of strategic initiatives
- New equipment sales up 3%, driven by Canada
- Product support revenue up 0.4%, driven by South America
- Rental revenue down 10% due to lower utilization and rental rates
- Equipment backlog ⁽¹⁾ up 11% from March 31, 2024, reflecting significant strategic wins in each region. Equipment backlog in South America is an all-time high.

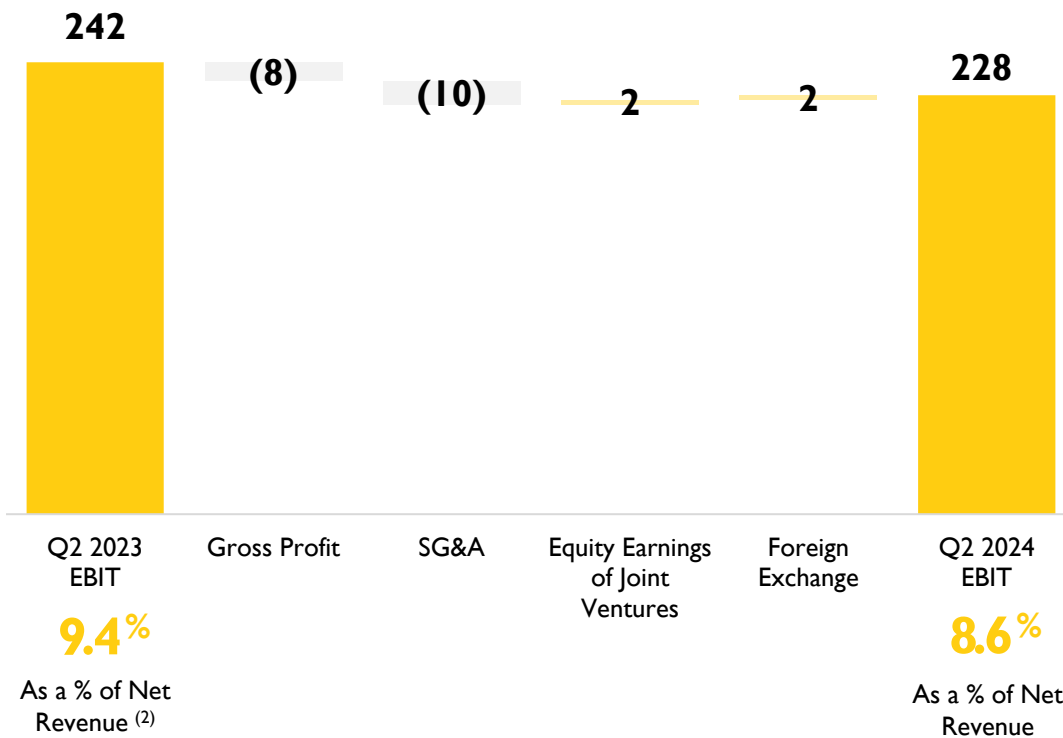
Q2 2024 Equipment Backlog At June 30, 2024



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

Q2 2024 EBIT

EBIT ⁽¹⁾
\$ millions



All comparisons are to Q2 2023 results unless indicated otherwise

Q2 2024 EBIT Highlights

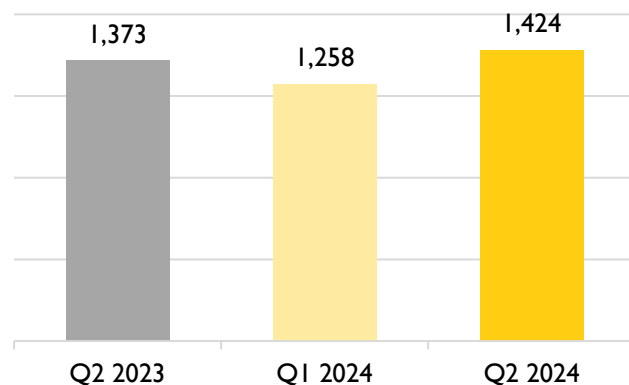
- Gross profit as a % of net revenue ⁽²⁾ of 24.7% down 90 bps mostly due to lower margins in used, new and rental equipment consistent with current market dynamics
- SG&A as a % of net revenue of 16.2% at an all-time low and unchanged from Q2 2023, reflecting strong cost control

⁽¹⁾ Change presented on a currency neutral basis. ⁽²⁾ This is a specified financial measure. See slide 10 for more information.

Q2 2024 Results – Canada

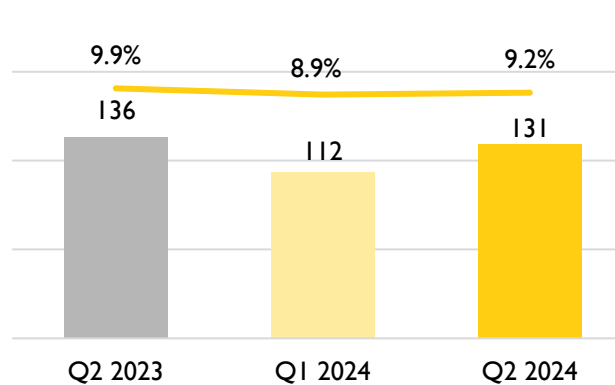
Net Revenue

\$ Millions



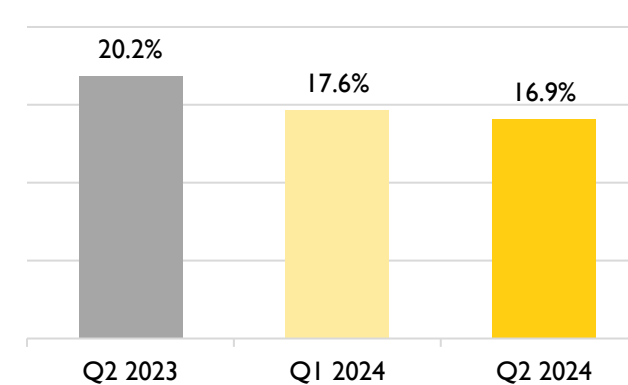
EBIT

\$ Millions, as a % of Net Revenue



Adjusted ROIC

4 Quarter Average



All comparisons are to Q2 2023 results unless indicated otherwise

Q2 2024 Commentary

- Used equipment sales up 61%, with strong volumes across all channels and higher conversions of RPOs ⁽¹⁾ to sales
- New equipment sales up 7%, driven mostly by strong activity in construction and oil & gas sectors
- Product support revenue down 3% from record levels in Q2 2023 which was exceptionally strong in both mining and construction. Compared to Q1 2024, product support revenue increased across all sectors (up 7%).
- EBIT as a percentage of net revenue down 70 bps due to a higher proportion of new and used equipment sales in the revenue mix and lower margins in used equipment and rental

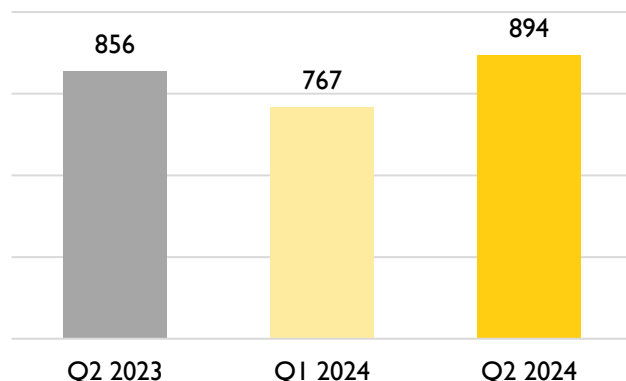
⁽¹⁾ Rental equipment with purchase options ⁽²⁾ This is forward-looking information. See slide 9 for more information.

Market Outlook ⁽²⁾

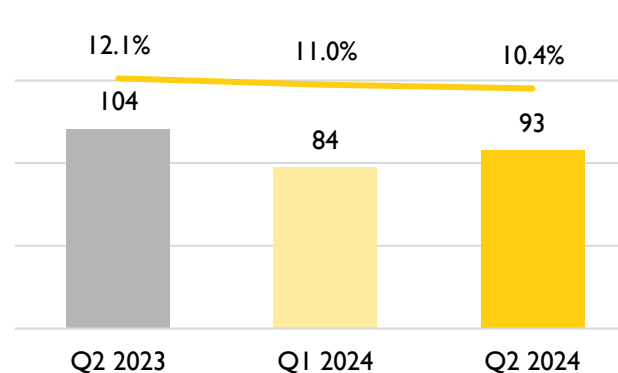
- Expect increased activity in the energy sector following completion of major pipelines
- Large oil sands customers are optimizing mine plans and scopes of contractor work, expected to deploy increased capital to renew, maintain, and rebuild aging fleets going forward
- Anticipate strong demand for product support, including component remanufacturing and rebuilds
- Ongoing commitment from federal and provincial governments to infrastructure development
- Growing demand for sustainable electric power solutions

Q2 2024 Results – South America

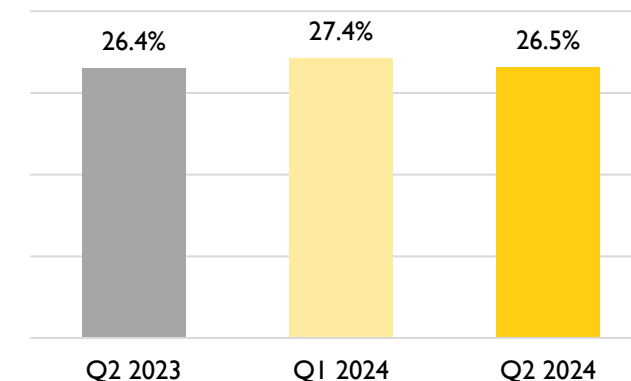
Net Revenue \$ Millions



EBIT \$ Millions, as a % of Net Revenue



Adjusted ROIC 4 Quarter Average



All comparisons are to Q2 2023 results in functional currency unless indicated otherwise

Q2 2024 Commentary

- New equipment sales similar to Q2 2023: higher mining and power systems deliveries in Chile were offset by lower construction activity in Argentina
- Product support revenue up 4%, led by increased activity in power systems and construction. Excluding the impact of a weaker CLP on service revenue, product support revenue would have been 7% higher vs Q2 2023.
- EBIT as a percentage of net revenue down 170 bps due to a lower gross profit as a percentage of net revenue compared to Q2 2023 which benefited from higher margin mining product support contracts, as well as lower new equipment margins in Argentina in Q2 2024
- Argentina operations were profitable in the quarter

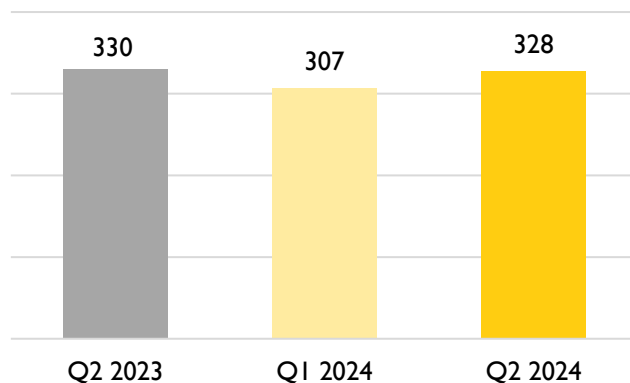
Market Outlook ⁽¹⁾

- Strong outlook for Chile mining underpinned by growing demand for copper, strong copper prices, capital deployment into 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 in Chile; expect infrastructure construction activity in Chile to start improving
- Strong power systems activity in industrial and data centre markets in Chile
- In Argentina, continue to take a low-risk approach

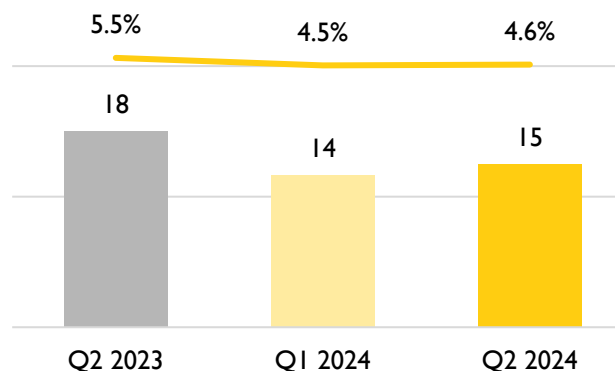
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Q2 2024 Results – UK & Ireland

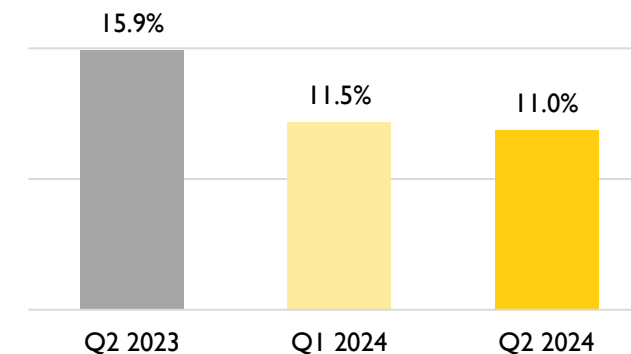
Net Revenue \$ Millions



EBIT \$ Millions, as a % of Net Revenue



Adjusted ROIC 4 Quarter Average



All comparisons are to Q2 2023 results in functional currency unless indicated otherwise

Q2 2024 Commentary

- New equipment sales down 5% due to the timing of power systems project deliveries
- Used equipment sales up 31%, mainly from increased volumes in the construction sector
- Product support revenue down 3%, reflecting lower machine utilization hours and customer activity levels
- EBIT as a percentage of net revenue down 90 bps due to reduced volumes and inflationary pressures

Market Outlook ⁽¹⁾

- Expect demand in the construction sector to remain soft, in line with low GDP growth projected in 2024
- Expect growing contribution from used equipment and power systems as we continue to execute on our strategy
- Healthy demand and strong quoting activity for both primary and backup power generation, particularly in the data centre market
- Product support business expected to remain resilient

⁽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 and expectations for executing on our strategy, and for improving product support growth rates, working capital velocity and substantial free cash flow generation in H2 2024, and expectation that we will reduce our fixed cost base and further reduce our SG&A as a percentage of net revenue going forward on slide 2; our market outlook for Canada on slide 6, including our expectation for increased activity in the energy sector (based on assumptions of additional capacity created by the completion of major pipelines); our expectation that large oil sands customers will deploy increased capital to renew, maintain and rebuild aging fleets (based on assumptions of optimized mine plans and scopes of contractor work); our expectation for strong demand for product support, including component remanufacturing and rebuilds (based on customer commitments and discussions); our expectation regarding ongoing commitments from federal and provincial governments for infrastructure development; our expectations of growing demand for sustainable electric power solutions; our market outlook for South America on slide 7, including in Chile, our strong outlook based on growing global demand for copper, strong copper prices, capital deployment into large-scale brownfield expansions and increasing customer confidence to invest; our expectation of broad-based increases in quoting, tender and award activity for mining equipment, product support and technology solutions; our expectation that infrastructure construction in Chile will start improving (based on assumptions of continued healthy demand from large contractors supporting mining operations); in the power systems sector, our expectation regarding strong activity in the industrial and data centre markets; and in Argentina, our expectation to continue a low-risk approach; and our market outlook for the UK and Ireland on slide 8, including our expectation for demand in the construction sector to remain soft, in line with low GDP growth projected for 2024; our expectation of a growing contribution from used equipment and power systems as we continue to execute on our strategy; our expectation of strong quoting activity in power systems (based on assumptions of healthy demand for primary and backup power generation, particularly in the data centre market); and our expectation of our product support business to remain resilient. No assurances can be given that the information in this presentation will result in sustained or improved financial performance, or that past performance is indicative of future results. 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, including execution of our invested capital improvement plan as outlined at our 2023 Investor Day, which targets selling and optimizing real estate and exiting low-ROIC activities, 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 supportive; 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 these and other 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 Q2 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 Q2 2024 MD&A.

2024 – 2025 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>
Q3 2024	November 12, 2024	November 13, 2024	10:00 AM
Q4 2024	February 4, 2025	February 5, 2025	10:00 AM
Q1 2025	May 12, 2025	May 13, 2025	10:00 AM
Q2 2025	August 5, 2025	August 6, 2025	10:00 AM