

Q3 2024 Results

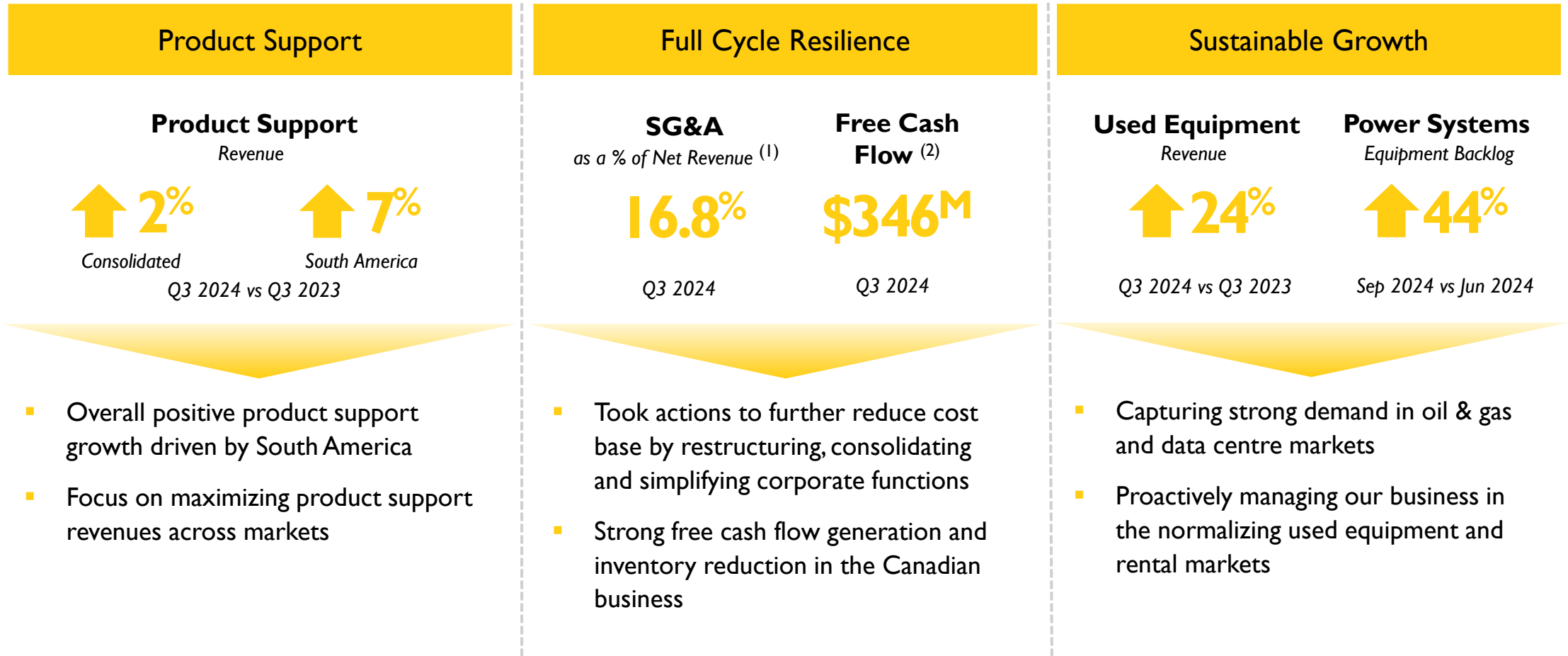
Kevin Parkes
President and CEO

Greg Palaschuk
EVP and CFO

November 13, 2024

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

Executing our Strategy



Sustainably Higher Adjusted ROIC ⁽¹⁾ Going Forward - 18% - 25% ⁽³⁾

⁽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.

Q3 2024 Results

	vs Q3 2023
Net Revenue \$2.5B	4%
Adjusted EBIT \$203M	19%
Adjusted EPS \$0.93	13%

Q3 2024 Summary

- Benefiting from our diversified business – strong growth in South America, resilient profitability in UK & Ireland, while Canada’s performance was challenged
- Significant items excluded from our Q3 2024 adjusted results:
 - \$19M severance costs related to continued optimizing of overhead costs, accelerated by a lower growth environment
 - \$14M estimated loss in Canada for receivables from a customer who was placed into receivership following a landslide at its mine

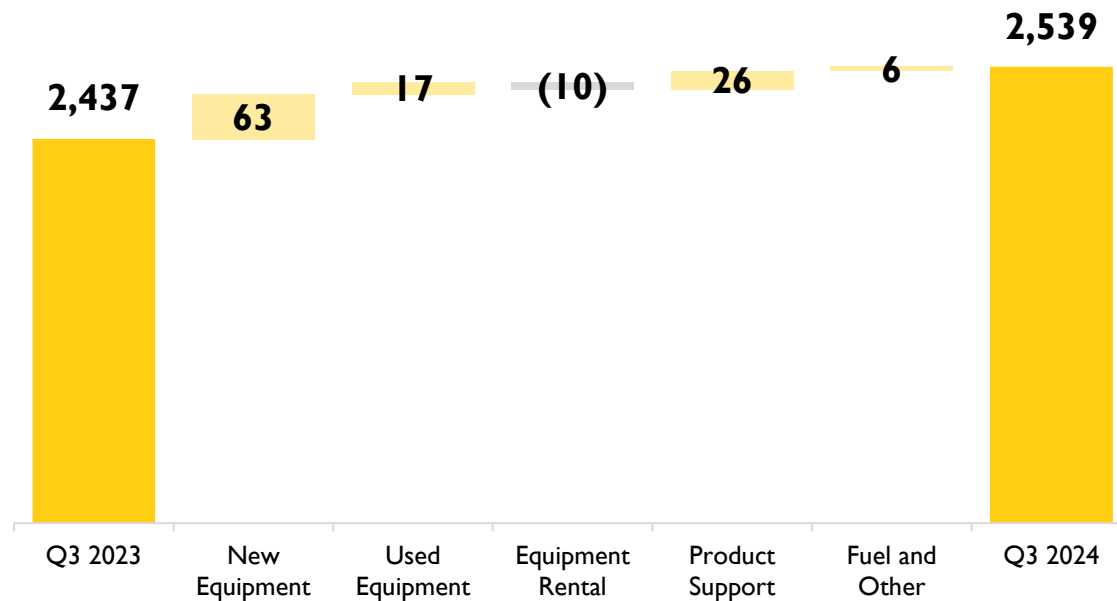
Q3 2024 Financial Statistics			
\$ millions, except EPS		Key Ratios	
Revenue	2,829	Invested capital turnover ⁽¹⁾	2.02 times
Net revenue ⁽¹⁾	2,539	Working capital to net revenue ⁽¹⁾	28.9%
EBIT Adjusted EBIT ⁽²⁾	170 203	Inventory turns (dealership) ⁽¹⁾	2.67 times
EPS Adjusted EPS ⁽¹⁾	\$0.75 \$0.93	Adjusted ROIC	17.6%
Free cash flow	346	Net debt to Adjusted EBITDA ⁽¹⁾	1.7 times

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Q3 2024 Net Revenue

Net Revenue by Line of Business \$ millions

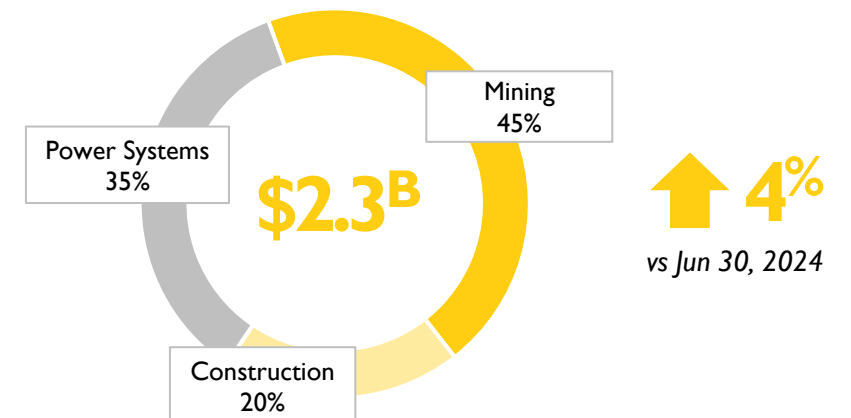


All comparisons are to Q3 2023 results unless indicated otherwise

Q3 2024 Revenue Highlights

- New equipment sales up 7%, driven by strong mining deliveries in Canada and South America
- Used equipment sales up 24%, higher across all regions reflecting execution of strategic initiative
- Product support revenue up 2%, driven by South America
- Equipment backlog ⁽¹⁾ up 4% from June 30, 2024, reflecting strong order intake from mining and power systems customers

Q3 2024 Equipment Backlog At Sep 30, 2024

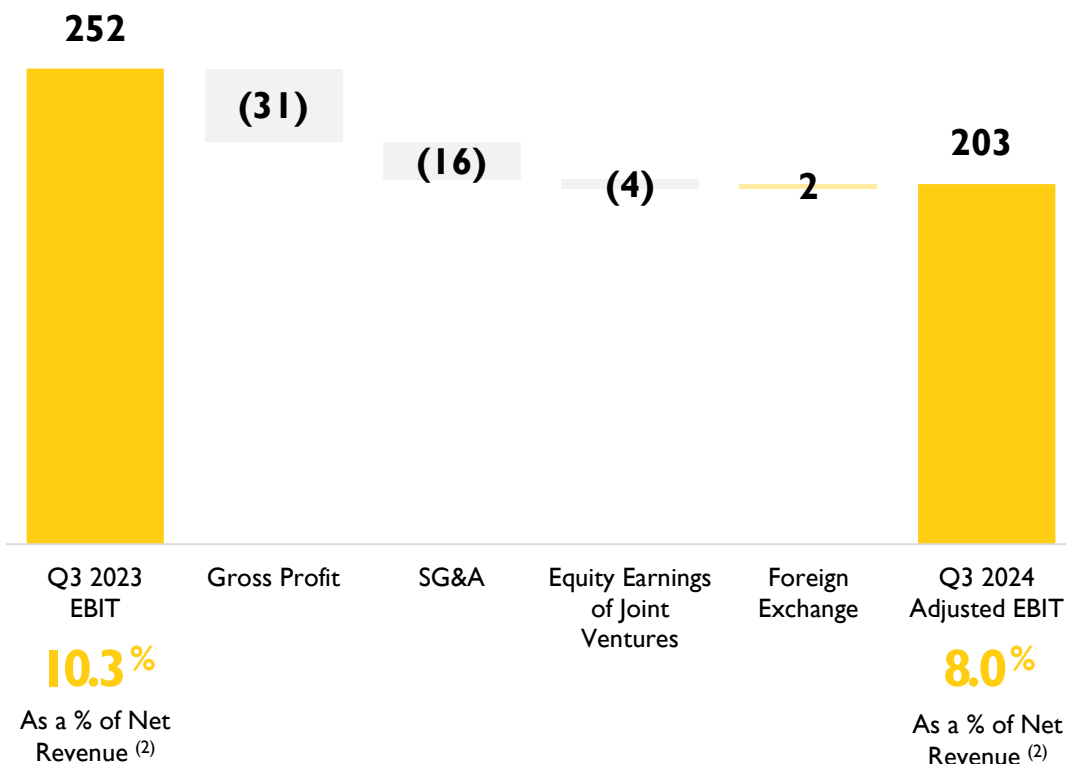


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Q3 2024 Adjusted EBIT

Adjusted EBIT ⁽¹⁾

\$ millions



All comparisons are to Q3 2023 results unless indicated otherwise

Q3 2024 Adjusted EBIT Highlights

- Gross profit as a % of net revenue ⁽²⁾ of 24.2% down 210 bps mostly due to lower margins in our Canadian business
- SG&A as a % of net revenue of 16.8% reflecting strong cost control. Excluding the estimated loss for receivables, SG&A as a % of net revenue would have been 16.2%
- Adjusted EBIT as a % of net revenue was 10.9% in South America, 6.3% in the UK & Ireland and 7.5% in Canada

Resilience and Low-ROIC Initiatives

- Headcount reductions related to the severance costs incurred in Q3 2024 are expected to reduce annual SG&A in 2025 by approximately \$25 million ⁽³⁾
- Expect to complete UK pension optimization by Q4 2024 ⁽³⁾
 - Improves UK & Ireland ROIC ⁽²⁾ by ~260 bps and consolidated ROIC by ~30 bps ⁽³⁾

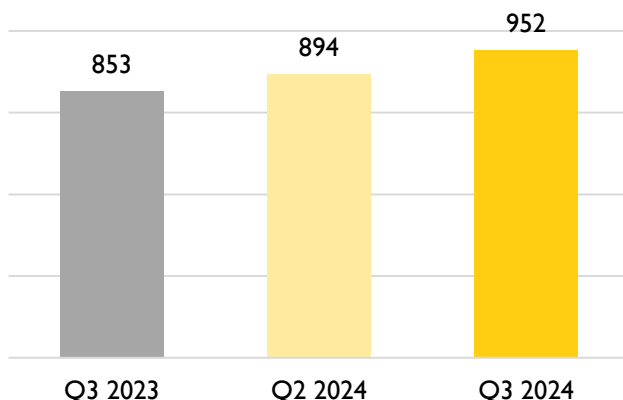
⁽¹⁾ Change presented on a currency neutral basis.

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

Q3 2024 Results – South America

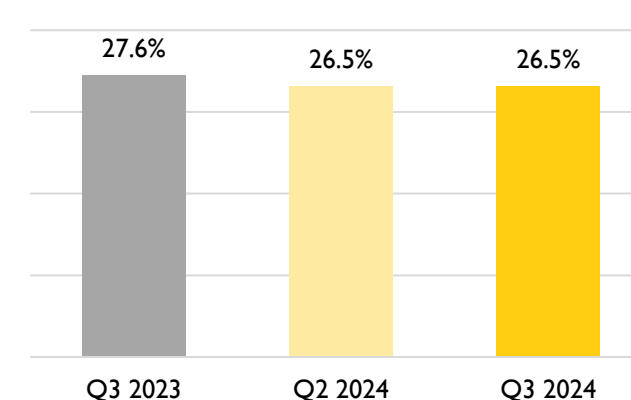
Net Revenue
\$ Millions



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



Adjusted ROIC



All comparisons are to Q3 2023 results in functional currency unless indicated otherwise

Q3 2024 Commentary

- New equipment sales up 14% driven by mining deliveries
- Used equipment sales up 68% from strong demand in construction
- Product support revenue up 7%, led by strong demand in mining and oil and gas. Excluding the impact of a weaker CLP on service revenue, product support revenue would have been 8% higher vs Q3 2023
- Adjusted EBIT as a % of net revenue down 140 bps due to higher SG&A as % of net revenue primarily from costs owing as a result of re-entering the official exchange market in Argentina, coupled with higher mix of new equipment (meaningful mining sales) and used equipment revenue
- Argentina operations were profitable in the quarter

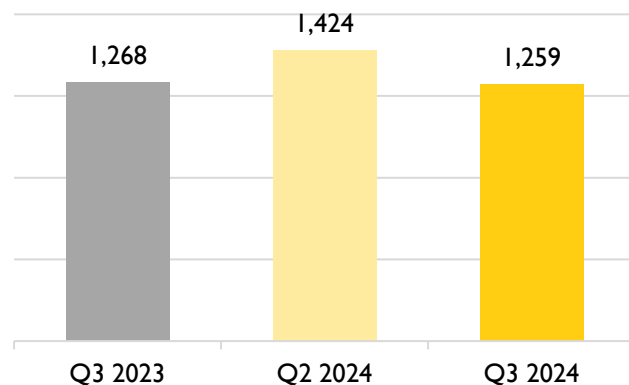
Market Outlook ⁽¹⁾

- 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 level in quoting, tender and award activity for mining equipment, product support, and technology solutions. However, expect a more challenging environment in attracting and retaining qualified labour
- Healthy demand from large contractors supporting mining operations and steady infrastructure construction activity in Chile
- Strong power systems activity in industrial and data centre markets in Chile
- In Argentina, continue to take a low-risk approach

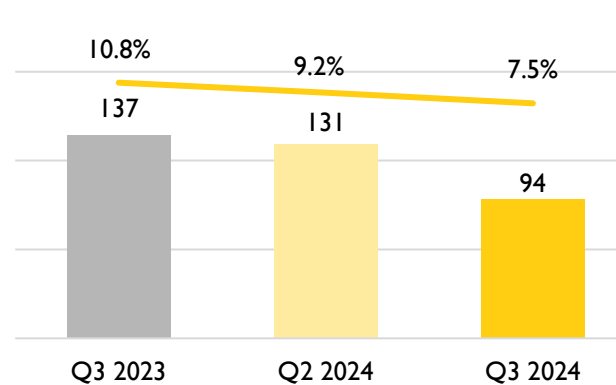
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Q3 2024 Results – Canada

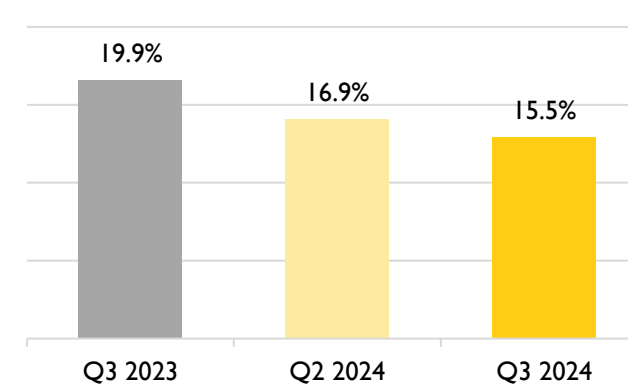
Net Revenue
\$ Millions



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



Adjusted ROIC



All comparisons are to Q3 2023 results unless indicated otherwise

Q3 2024 Commentary

- New equipment sales up 4%, including significant mining RPO conversions
- Product support revenue down 3%, reflecting mixed activity levels in mining and slower recovery of activity by construction customers
- Adjusted EBIT as a % of net revenue down 330 bps:
 - High proportion of mining in new equipment sales
 - Lower used equipment pricing as we proactively managed our inventory levels
 - Rental fleet utilization below a normalized level
 - Lower mix of product support revenue
- Excluding the estimated loss for receivables, SG&A was lower by 2%, reflecting a focus on cost containment

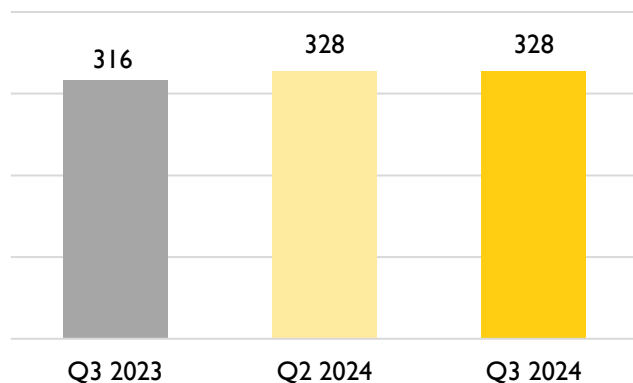
Market Outlook ⁽¹⁾

- We expect continued spending discipline from our large customers as they work to achieve operating cost targets and in some cases fund and integrate acquisitions
- Ongoing commitment from federal and provincial governments as well as private sector projects for infrastructure development, but projects will take time to advance
- Healthy demand for reliable and efficient electric power solutions
- We expect headwinds in the used and rental markets following a period of strong sector activity and limited equipment supply
- Focused on unlocking invested capital and reducing SG&A

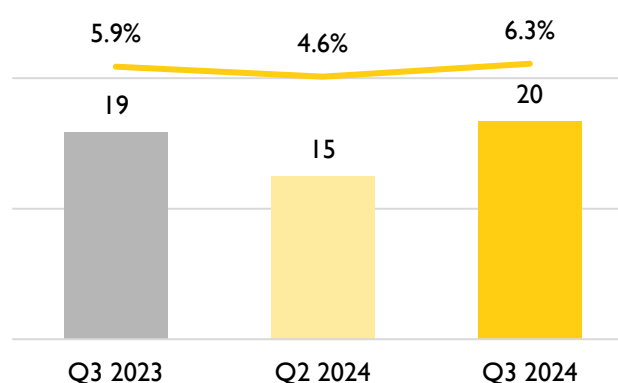
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Q3 2024 Results – UK & Ireland

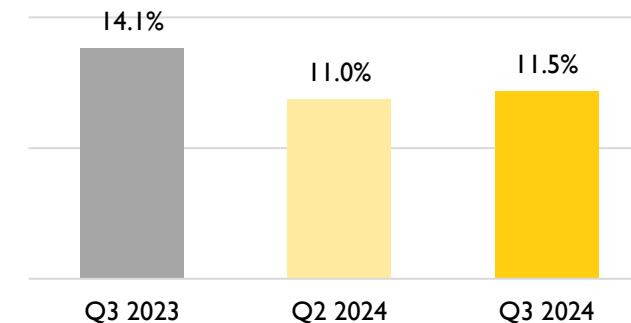
Net Revenue
\$ Millions



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



Adjusted ROIC



All comparisons are to Q3 2023 results in functional currency unless indicated otherwise

Q3 2024 Commentary

- New equipment sales down 3% due to slower demand from certain industrial customers
- Used equipment sales up 49%, mainly from increased volumes in construction
- Product support revenue down 2% from record levels in Q3 2023 which had strong activity in the power sector. Product support revenue was up 3% compared to Q2 2024 as machine hours trended slightly higher
- Adjusted EBIT as a percentage of net revenue up 40 bps to a solid 6.3%, driven by a focus on cost control, with SG&A down 10% from Q3 2023

Market Outlook ⁽¹⁾

- Expect demand in the construction sector to remain soft, in line with low projected GDP growth
- 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; our statement of sustainably higher adjusted ROIC going forward of 18% - 25%; our expectation to complete UK pension optimization by Q4 2024 and the expected impact; our market outlook for South America on slide 6, including in Chile, our strong outlook based on growing demand for copper, strong copper prices, capital deployment into large-scale brownfield expansions and increasing customer confidence to invest; our expectation of a broad-based level in quoting, tender and award activity for mining equipment, product support and technology solutions; our expectation of a more challenging environment in attracting and retaining qualified labour; 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 in Chile; and in Argentina, our expectation to continue a low-risk approach; our market outlook for Canada on slide 7, including our expectation of continued spending discipline from our large customers as they work to achieve operating cost targets and in some cases fund and integrate acquisitions; our expectation regarding ongoing commitments from federal and provincial governments as well as private sector projects for infrastructure development; our expectations of healthy demand for reliable and efficient electric power solutions; our expectations of headwinds in the used and rental markets following a period of strong sector activity and limited equipment supply; our expectation of unlocking invested capital and reducing SG&A; 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; 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 assumptions and expectations mentioned above and that: we will be able to execute on our strategic plans, successfully manage our business through volatile commodity prices, high inflation, changing interest rates, and supply chain challenges, successfully execute our strategies to win customers, achieve full cycle resilience and continue business momentum; 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 our efforts of reducing our SG&A and invested capital base will produce positive results on our earnings capacity; 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; timing of completion of major pipelines and the resulting increased activity in the energy sector; that demand for reliable and sustainable electric power solutions in Western Canada will continue to create opportunities for our power systems business; that maximizing product support will positively affect our strategic priorities going forward; quoting activity for requests for proposals for equipment and product support is reflective of opportunities; and market 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 Q3 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 Q3 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>
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
Q3 2025	November 12, 2025	November 13, 2025	10:00 AM