TOROMONT

April 26, 2017

Toromont Announces Results for the First Quarter of 2017 and Quarterly Dividend

TORONTO, ONTARIO--(Marketwired - April 26, 2017) - Toromont Industries Ltd. (TSX:TIH) reported its financial results for the first quarter ended March 31, 2017.

	Three months ended March 31		
millions, except per share amounts	2017	2016	% change
Revenues	$ 412.3	$ 397.9	6%
Operating income	$ 37.9	$ 33.5	13%
Net earnings	$ 27.6	$ 24.2	12%
Basic earnings per share ("EPS")	$ 0.36	$ 0.31	16%

"Toromont delivered continued growth in the first quarter on strong execution across the business," said Scott J. Medhurst, President and Chief Executive Officer of Toromont Industries Ltd. "The Equipment Group performed well on strength in mining, power systems and rentals despite broad challenges with tight pricing conditions. CIMCO delivered solid results with sustained activity in Canada. Product support continues to provide a strong foundation for both Groups. Our balance sheet remained strong and positions us well."

First Quarter Highlights:

- Equipment Group - good execution in a challenging market
  - Revenues increased 6% to $380.8 million versus a year ago with higher equipment sales, rentals and product support revenues. Operating income increased 10% to $35.1 million and was 9.7% as a percentage of revenues.
  - Bookings(1) increased 2% year-over-year to $185.0 million on strong mining and power systems orders which served to offset lower construction orders. Backlog(1) were $176.6 million at March 31, 2017 compared to $147.0 million at December 31, 2016 and $128.0 million at this time last year. Most of the backlog is expected to be delivered this year.
- CIMCO - strong results on higher revenues and improved margins
  - Revenues increased 9% to $32.5 million from a year ago mainly due to higher product support revenues. Operating income increased 74% to $2.6 million and was 8.0% as a percentage of revenues.
  - Bookings were up 37% versus last year to $65.0 million with increases in both Canada and the US. Backlogs of $138.0 million are at record levels for the end of a first quarter, and up from $99.0 million at December 31, 2016 and $112.0 million at this time last year. Most of the backlog is expected to be delivered this year.
- Net earnings increased 12% in the quarter to $27.6 million reflecting the higher revenues and improved operating margins.
- EPS increased 16% or $0.03 in the quarter to $0.36.
- Toromont maintained a very strong financial position. Cash marginally exceeded total debt at the end of the quarter.
- The Board of Directors announced a quarterly dividend of 19 cents per common share, payable July 4, 2017 to shareholders of record on June 9, 2017. The quarterly dividend was previously increased 6% to 18 cents per share effective with the dividend paid April 3, 2017.

"The long-term outlook for infrastructure spending remains positive following the federal budget, however we await clarity on the timing and nature of the anticipated spending. We also remain cautiously optimistic on various provincial spending initiatives and expect to get better visibility in the coming months. We are beginning to see increased activity in the mining sector and we continue to see good activity in our rental fleets and strong demand for our product support offerings," continued Mr. Medhurst. "Across our organization, strong product support growth, together with diverse products and markets, provides a sound financial base, operational stability and opportunities for continued success."

Quarterly Results Materials

The complete first quarter report for 2017, including MD&A and unaudited interim condensed consolidated financial statements, is available on our website at www.toromont.com

Quarterly Conference Call and Webcast

Interested parties are invited to join the quarterly conference call with investment analysts, in listen-only mode, on Thursday, April 27, 2017 at 8:00 a.m. (ET). The call may be accessed by telephone at 1-877-407-0811 (toll free) or 647-427-2252 (International) and quoting passcode 7979829. A replay of the conference call will be available until Friday, May 5, 2017, by calling 1-855-859-2056* (toll free) or 416-849-0833 (International) and quoting passcode 7979829.

Both the live webcast and the replay of the quarterly conference call can be accessed at www.toromont.com

Advisory

Information in this press release that is not a historical fact is "forward-looking information". Words such as "plans", "expects", "outlook", "targets", "anticipates", "estimates", "believes", "likely", "should", "could", "will", "may" and similar expressions suggest future outcomes or events. Forward-looking information in this press release includes, but is not limited to, this press release is based on current objectives, strategies, expectations and assumptions which management considers appropriate and reasonable at the time including, but not limited to, general economic and industry growth rates, commodity prices, currency exchange and interest rates, competitive intensity and shareholder and regulatory approvals.

By its nature, forward-looking information is subject to risks and uncertainties which may be beyond the ability of Toromont to control or predict. The actual results, performance or achievements of Toromont could differ materially from those expressed or implied by forward- looking information. Factors that could cause actual results, performance, achievements or events to differ materially from those expressed or implied by forward-looking information include, but are not limited to, including general economic conditions in the countries in which Toromont operates; commodity price changes, including changes in the price of precious and base metals; changes in foreign exchange rates, including the CDN/US$ exchange rate; the ability to maintain and renew key customer and supplier relationships; the ability to attract and retain staff; availability of supply; increased competition; credit of third parties; additional costs associated with warranties and maintenance contracts; changes in interest rates; the availability of financing; and, environmental regulation.

Any of the above mentioned risks and uncertainties could cause or contribute to actual results that are materially different from those expressed or implied by forward-looking information. Additional information on these factors and a further description of certain risks and uncertainties and other factors that could cause or contribute to actual results that are materially different, see the risks and uncertainties set out in the "Risks and Risk Management" and "Outlook" sections of Toromont's Management's Discussion and Analysis for the year ended October 31, 2016, including those under the regulation of gross margins or of operating margins. Other factors, risks and uncertainties not presently known to Toromont or that Toromont currently believes are not material could also cause actual results or events to differ materially from those expressed or implied by statements containing forward-looking information.

Readers are cautioned not to place undue reliance on statements containing forward-looking information that are included herein, since there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking other than their intended purpose. Toromont disclaims any obligation or intention to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

About Toromont

Toromont Industries Ltd. operates through two business segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory in addition to industry leading rental operations and an expanding agricultural equipment business. CIMCO is a market leader in the design, engineering, fabrication and installation of industrial and recreational refrigeration systems. Both segments offer comprehensive product support capabilities. This press release and more information about Toromont Industries Ltd. can be found at www.toromont.com

FOOTNOTES

1 These financial metrics do not have a standardized meaning under International Financial Reporting Standards, which are also referred to herein as Generally Accepted Accounting Principles (GAAP), and may not be comparable to similar measures used by other issuers. The Company's Management's Discussion and Analysis (MD&A) includes additional information regarding these financial metrics, including definitions, under the sections titled "Additional GAAP Measures and Non-GAAP Measures."

TOROMONT INDUSTRIES LTD.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(Unaudited)

	Three months ended March 31	
($ thousands, except share amounts)	2017	2016
Revenues	$ 412,298	$ 397,919
Cost of goods sold	311,893	296,969
Gross profit	100,405	101,950
Selling and administrative expenses	62,511	68,474
Operating income	37,894	33,476
Interest expense	1,832	1,954
Interest and investment income	(1,112)	(1,673)
Income before income taxes	37,174	33,215
Income taxes	10,138	9,045
Net earnings	$ 27,036	$ 24,170
Earnings per share		
Basic	$ 0.36	$ 0.31
Diluted	$ 0.36	$ 0.31
Weighted average number of shares outstanding		
Basic	76,433,027	77,697,936
Diluted	76,221,246	78,422,769

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Source: Toromont Industries Ltd.

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