



CERVUS EQUIPMENT 2020 ANNUAL RESULTS

March 12, 2021



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FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of applicable securities laws (“forward-looking statements”). These statements include, but are not limited to, statements about the Company’s objectives, strategies and initiatives, financial performance expectations and other statements made herein, whether with respect to the Company’s businesses or the economies of the countries where the Company operates. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “planned”, “estimates”, “forecasts”, “targets”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases which state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur”, “be achieved”, or other similar expressions of future or conditional verbs.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, closing of transactions, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to general economic conditions, the industries and customers served by the Company, its principal equipment partners, currency exchange rates, funding requirements, fluctuating interest rates, legislative and regulatory developments, changes in accounting standards, and competition as well as those factors discussed under the heading “Business Risks and Uncertainties” in the Fourth Quarter 2020 Management Discussion & Analysis of Cervus Equipment Corporation dated March 10, 2021, available electronically at www.sedar.com under Cervus’ profile.

All material assumptions used in making forward-looking statements are based on management’s knowledge of current business conditions and expectations of future business, economic and market conditions and trends. Although the Company believes the assumptions used to make such statements are reasonable at this time and has attempted to identify in its continuous disclosure documents important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Certain material assumptions are applied by the Company in making forward-looking statements. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

NON-GAAP FINANCIAL MEASURES

This presentation contains certain financial measures that do not have any standardized meaning prescribed by IFRS. Therefore, these financial measures may not be comparable to similar measures presented by other issuers, and are defined and reconciled to their most directly comparable GAAP measure within Cervus’ Management’s Discussion and Analysis for the quarter and year ended December 31, 2020 under the section “Non-GAAP Financial Measures”, which is available electronically at www.sedar.com under Cervus’ profile.

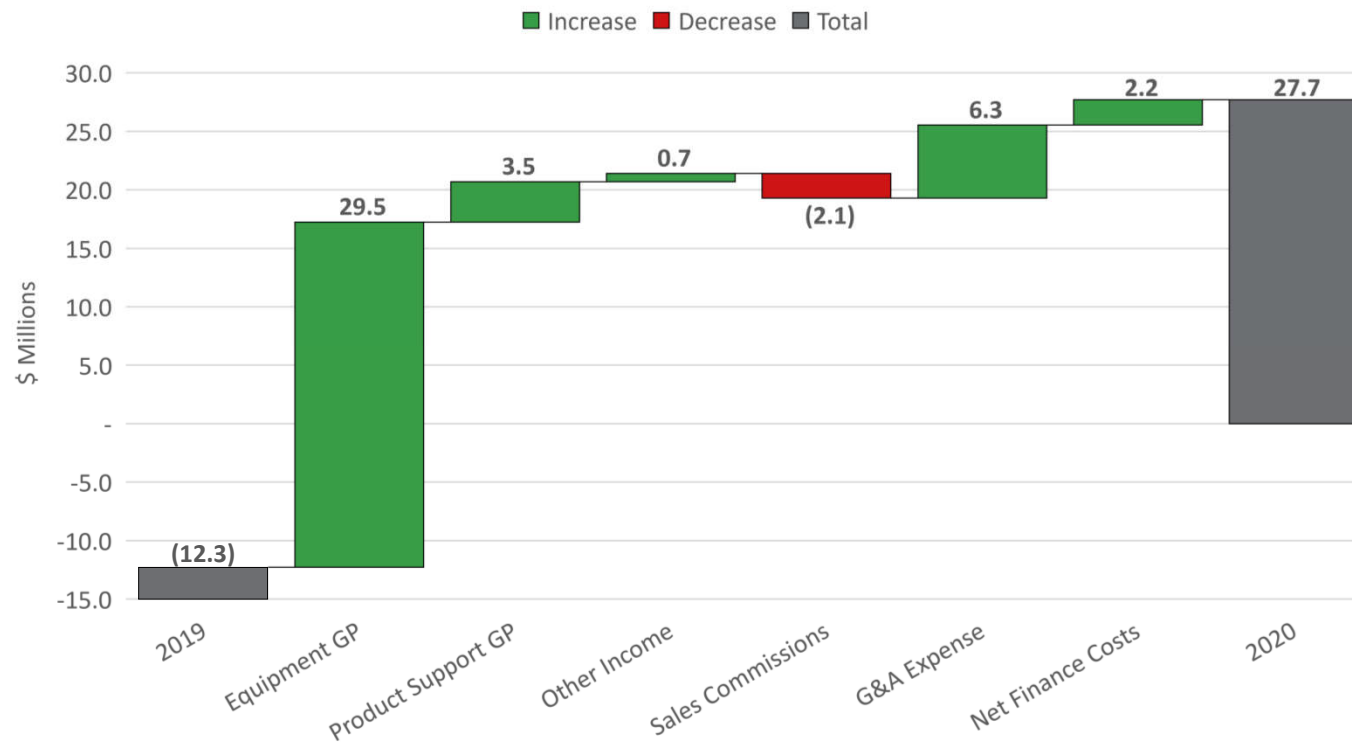
Investors are cautioned that these measures should not be construed as an alternative to profit or to cash flow from operating, investing, and financing activities determined in accordance with IFRS as indicators of our performance. These measures are provided to assist investors in determining our ability to generate profit and cash flow from operations and to provide additional information on how these cash resources are used.

This presentation is intended for educational and informational purposes only and does not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually. The reader should consult with a lawyer, accountant and other professionals in respect of contents hereof.

CERVUS 2020 ANNUAL RESULTS

Adjusted NIBT Increased \$40 Million, Driven By Improvements Across the Business

Adjusted NIBT Reconciliation from 2019 to 2020



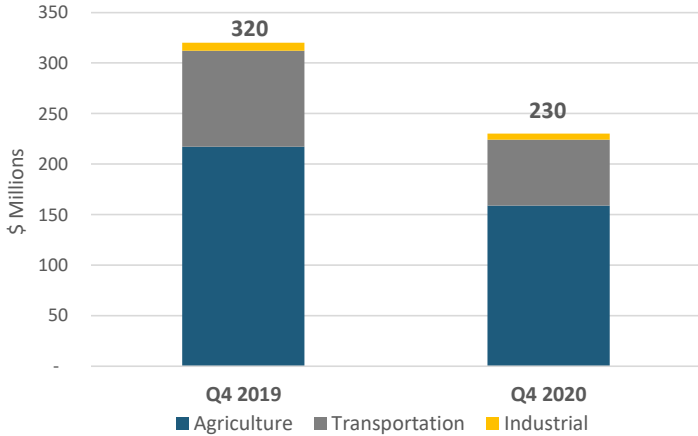
2020 Annual Overview

- Total revenue up 8%, comprised of a 12% increase in Agriculture and 1% increase in Transportation
- G&A expenses decreased \$6.3 million, despite recognizing performance incentives in 2020
- Excluding the increase in performance incentives, G&A decreased \$13 million
- Income before tax increased \$40 million in Agriculture, \$4.1 million in Transportation and \$1.4 million in Industrial
- Overall income before tax increased \$45 million, including \$7 million in wage subsidies and a \$2.2 million decrease in unrealized foreign exchange gain

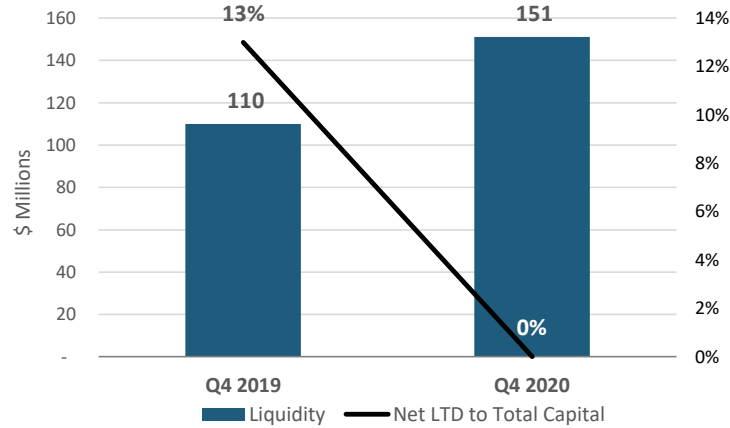
BALANCE SHEET OVERVIEW

Strong Balance Sheet with \$151 Million of Financing Available

Total Inventory



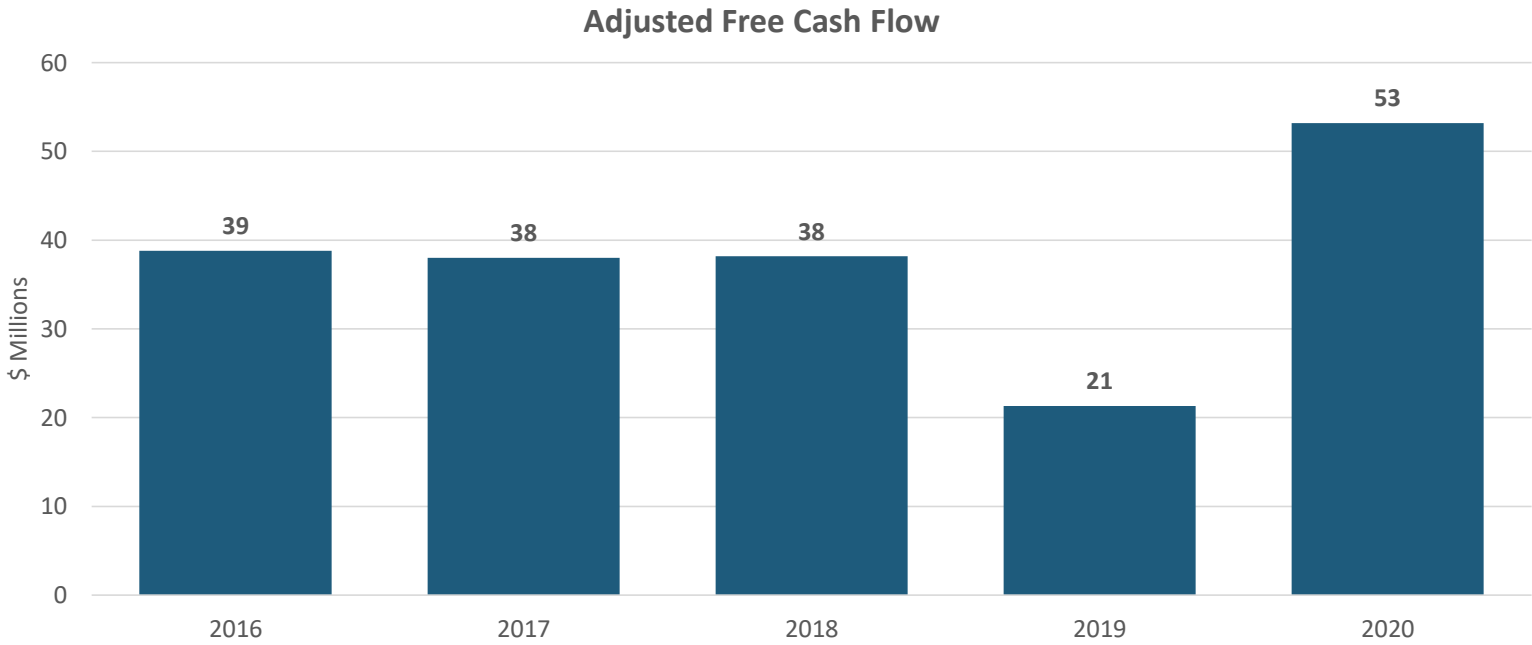
Balance Sheet Strength and Liquidity



- Overall inventory decreased \$90 million from Q4 2019, comprised of a \$58 million decrease in Agriculture and a \$30 million decrease in Transportation
- Repaid all debt owing under the syndicate operating facility and capital facilities during 2020
- Liquidity increased 37% from Q4 2019
- Repurchased 290 thousand shares at a cost of \$2.1 million
- Quarterly dividend of \$0.11 per share declared for the first quarter of 2021
- Strong positioning relative to our lending covenants with significant operating flexibility

ADJUSTED FREE CASH FLOW

Adjusted Free Cash Flow of \$53 Million for Year Ended December 31, 2020

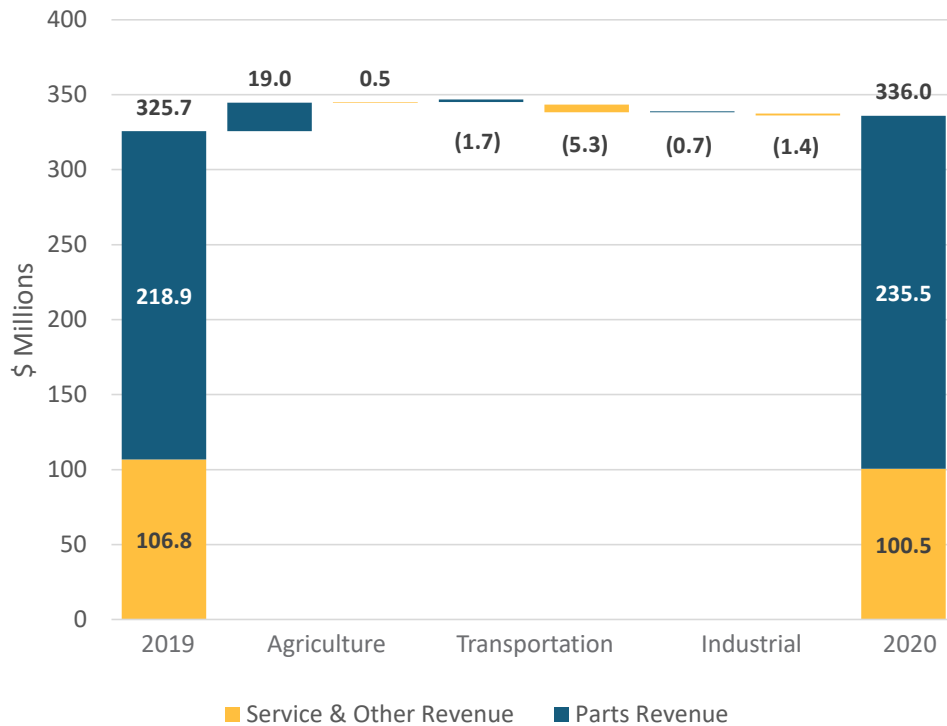


Adjusted Free Cash Flow is a non-GAAP financial measure, defined as cash flow from operating activities before changes in non-cash working capital, less sustaining capital expenditures, excluding acquisition or disposals of dealerships and real estate.

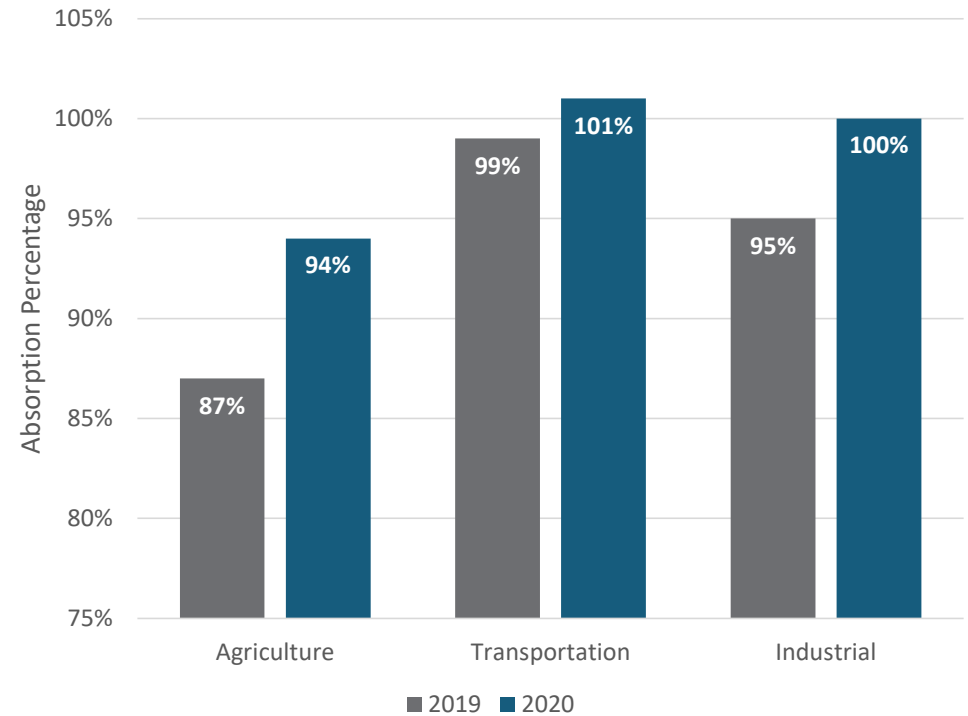
PRODUCT SUPPORT EQUALS STABILITY

Agriculture Product Support Growth and Cost Efficiencies Improve Absorption

Stability in Product Support Revenue Across Cycles



Improved Absorption Across All Divisions



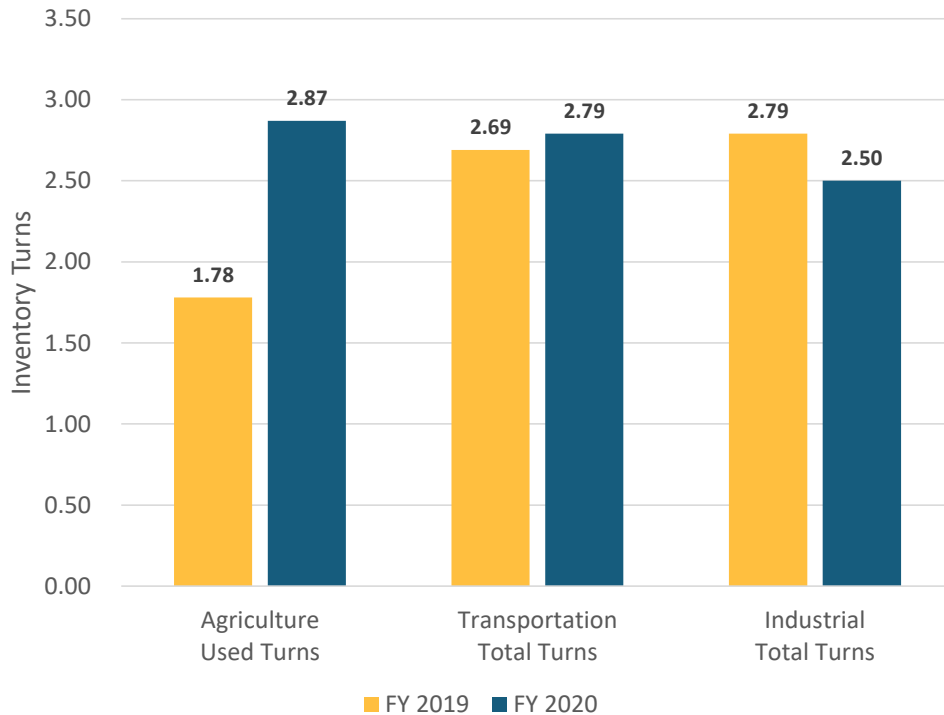
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Absorption is a non-GAAP financial measure, calculated as product support gross profit, divided by total operating costs. Total operating costs is calculated as total SG&A expenses plus net finance costs, less equipment commissions expense, amortization of intangibles, and floorplan interest expense. Please refer to our Forward-Looking Statements & Non-GAAP Measures disclosures.

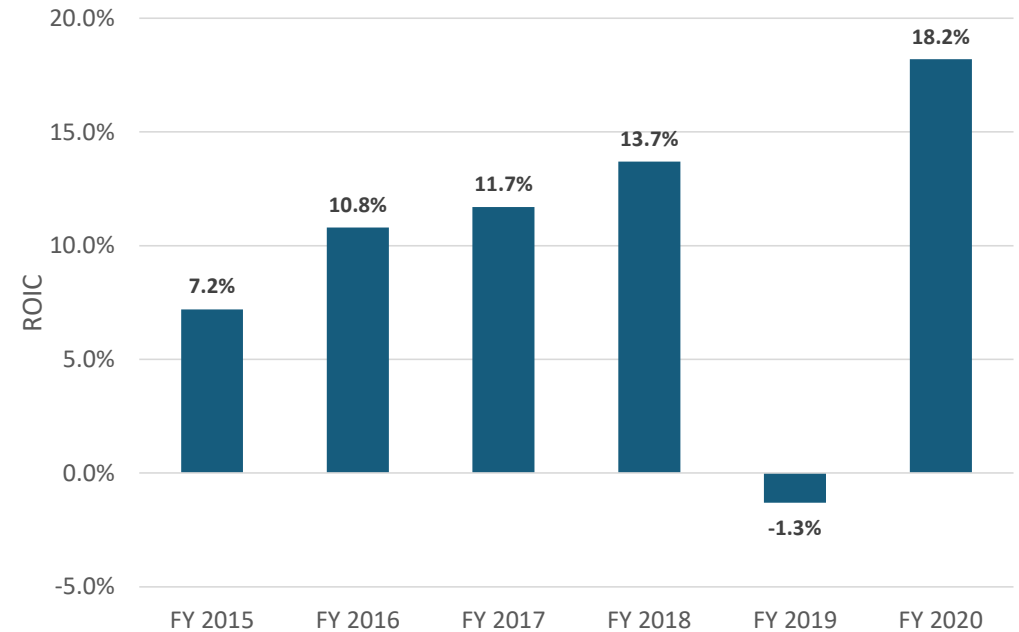
INVENTORY TURNS & RETURN ON INVESTED CAPITAL

Disciplined Allocation of Capital

Focus on Ag Inventory Management Drives Turn Ratio



Disciplined Inventory Management Stabilizes ROIC



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Inventory Turns is a non-GAAP financial measure, calculated as trailing twelve-month cost of goods sold (COGS), divided by average inventory. Agriculture inventory turns is based on used equipment inventory, Transportation and Industrial is based on combined new and used equipment inventory.

ROIC (Return On Invested Capital) is a non-GAAP measure, calculated as trailing twelve-month EBIT less floorplan interest, divided by average net debt (excluding floorplan debt) plus book value of equity.

Please refer to our Forward-Looking Statements & Non-GAAP Measures disclosures.

INDUSTRY OUTLOOK

Agriculture Sentiment Improves on Strong Market Fundamentals

Agriculture

Canada

- Agri-Food Canada projects net farm income for 2020 to be up 21.8% over 2019, and a further 6.8% increase forecast for 2021.¹
- Canola prices are at the highest levels since 2008,² and it is estimated farmers will plant a 6% larger canola crop in 2021.³
- John Deere industry outlook expects a 15%-20% increase for Large Ag Equipment in their US and Canada geography.⁴ This growth may impact the availability of equipment to meet in-season demand.
- Weather conditions will be a driving variable for producers heading into 2021 seeding season.

Australia

- Commodity prices in the region, including dairy, have strengthened in 2021.⁵ Wet weather conditions are forecast to continue into 2021, a positive for most agriculture sub-sectors.

New Zealand

- Generally stable weather conditions, positive commodity prices and relations with key trading partners have benefited farmer confidence.⁶ Border restrictions related to the pandemic have created labor shortages for producers.

¹ Agriculture and Agri-Food Canada, *Farm Income Forecast results for 2020 and 2021*, February 2021, <https://www.agr.gc.ca/eng/canadas-agriculture-sectors/sector-overviews-data-and-reports/farm-income-forecast-results-for-2020-and-2021/?id=1613754572942>

² Financial Post, *China is buying up so much Canadian canola that traders fear a looming shortage*, February 2021, <https://financialpost.com/category/commodities/agriculture/>

³ The Globe And Mail, *Exports empty Canada's canola bins, driving prices to near records*, January 2021, <https://www.theglobeandmail.com/>

⁴ John Deere, *1Q 2021 Earnings Call*, February 2021, <https://investor.deere.com/home/default.aspx>

⁵ Rabobank, *Agribusiness Monthly March 2021: Australia*, March 2021, <https://www.rabobank.com.au/knowledge/agribusiness-monthly/>

⁶ Rabobank, *New Zealand Agribusiness Outlook 2021*, January 2021, <https://research.rabobank.com/far/en/sectors/regional-food-agri/nz-agribusiness-outlook-2021.html>

INDUSTRY OUTLOOK

Transportation and Industrial Showing Signs of Recovery

Transportation

- PACCAR estimates 2021 Class 8 sales in North America in a range of 250,000 - 280,000 units,⁷ anticipated growth of 15% to 30% over 2020 truck sales.
- Delays in North American Class 8 truck production from semiconductor supply shortages could impact timing of delivery and sales in the year.
- In Saskatchewan, our dealerships continue to experience the impact of the pandemic on economic activity in the province, as well the energy sector.

Industrial

- The decrease in economic activity related to COVID-19, and uncertainty in the energy sector, continues to weigh on economic activity in Alberta and Saskatchewan.
- Our dealerships have resumed training and preventative maintenance offerings to customers at reduced capacity, in order to comply with physical distancing requirements.

⁷ PACCAR, PACCAR Achieves Good Annual Revenues and Net Income: Strong Truck Deliveries and Aftermarket Sales Drive Results, January 2021, www.paccar.com



CERVUS EQUIPMENT

2020 ANNUAL RESULTS Q&A

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