



CERVUS EQUIPMENT Q3 2020 RESULTS

November 5, 2020



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Forward Looking Information

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 Third Quarter 2020 Management Discussion & Analysis of Cervus Equipment Corporation dated November 3, 2020, 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 three and nine month periods ended September 30, 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.

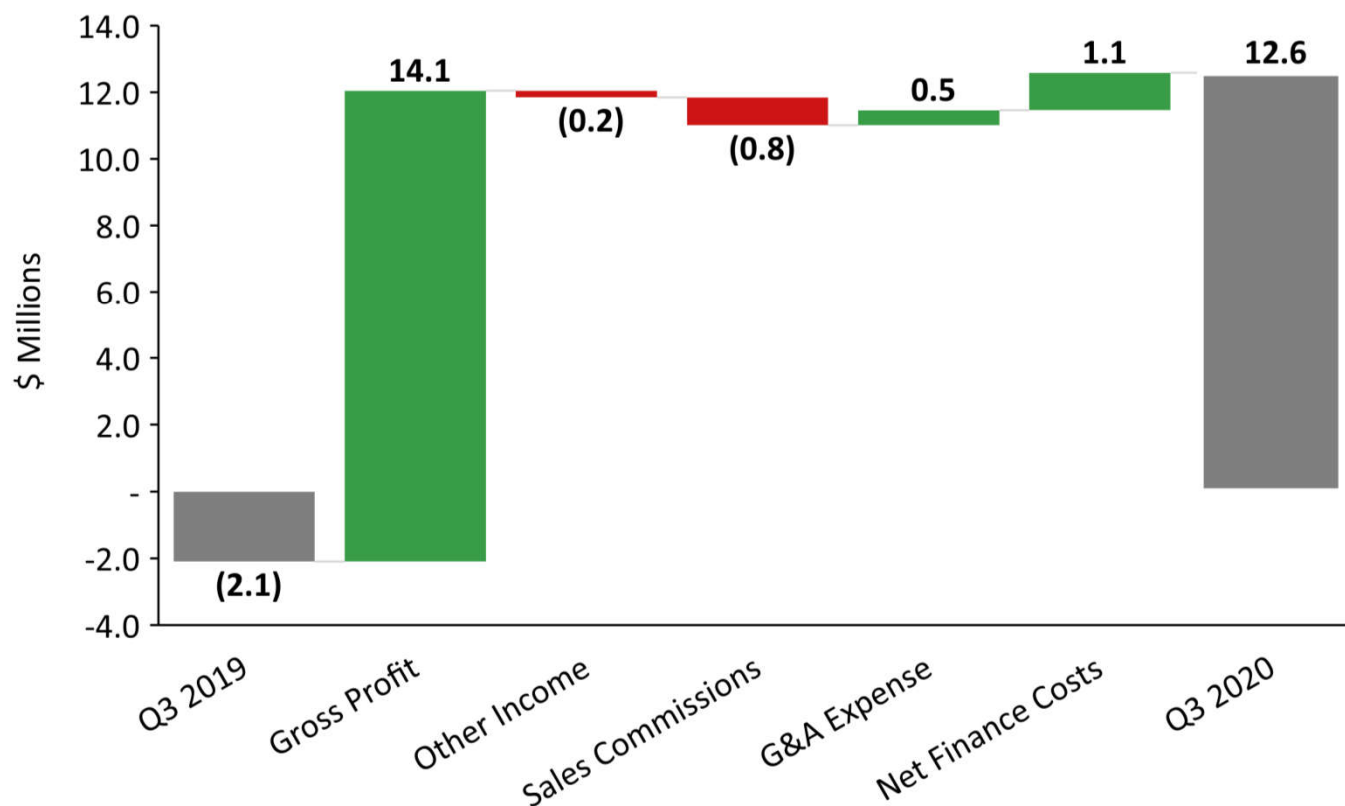
This presentation is intended for educational and informational purposes only and does not replace independent professional judgment. Statements of fact and opinions expressed are those of the participants individually. The reader should consult with a lawyer, accountant and other professionals in respect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

Cervus Q3 2020 Results

Adjusted NIBT Increased \$15 Million, Driven By 33% Increase In Gross Profit

Adjusted NIBT Reconciliation from Q3 2019 to Q3 2020

■ Increase ■ Decrease ■ Total



Adjusted Net Income Before Income Tax (“NIBT”) is a non-GAAP financial measure, which excludes unrealized gains and losses from foreign currency and wage subsidies.

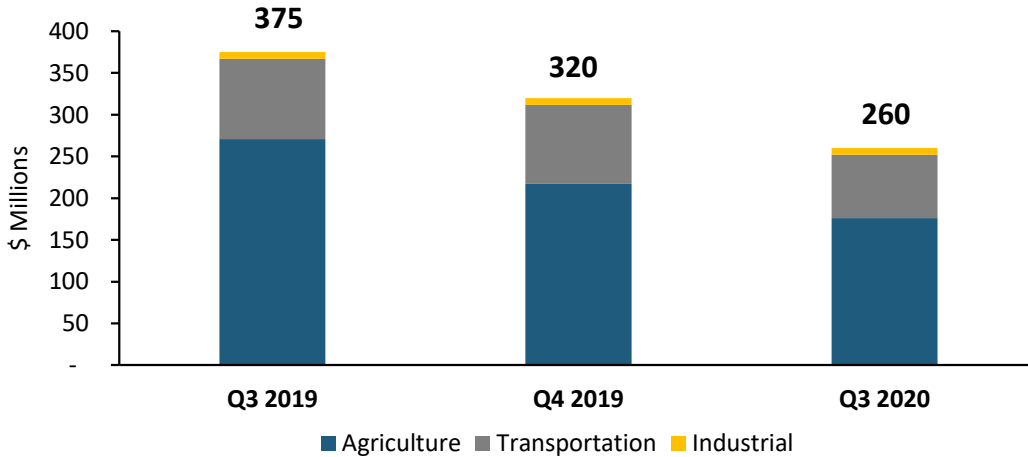
Q3 2020 Overview

- Total revenue up 12%, comprised of a 17% increase in Agriculture and 6% increase in Transportation
- Industrial revenue down 21% due to COVID-19
- Agriculture product support revenue up 19%
- G&A expenses decreased \$0.5 million, despite recognizing performance incentives in 2020
- Adjusted Net Income Before Income Tax (“NIBT”) increased \$15 million
- Income before tax increased \$21 million, including \$5 million in wage subsidies and a \$0.9 million increase in unrealized foreign exchange gain

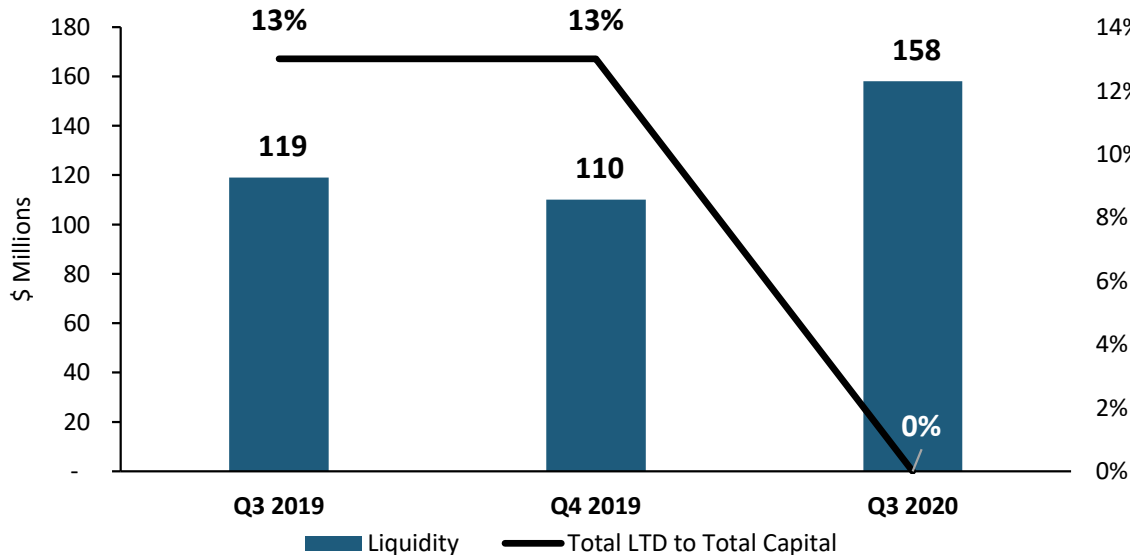
Balance Sheet Overview

Strong Balance Sheet with \$158 million of Financing Available

Total Inventory



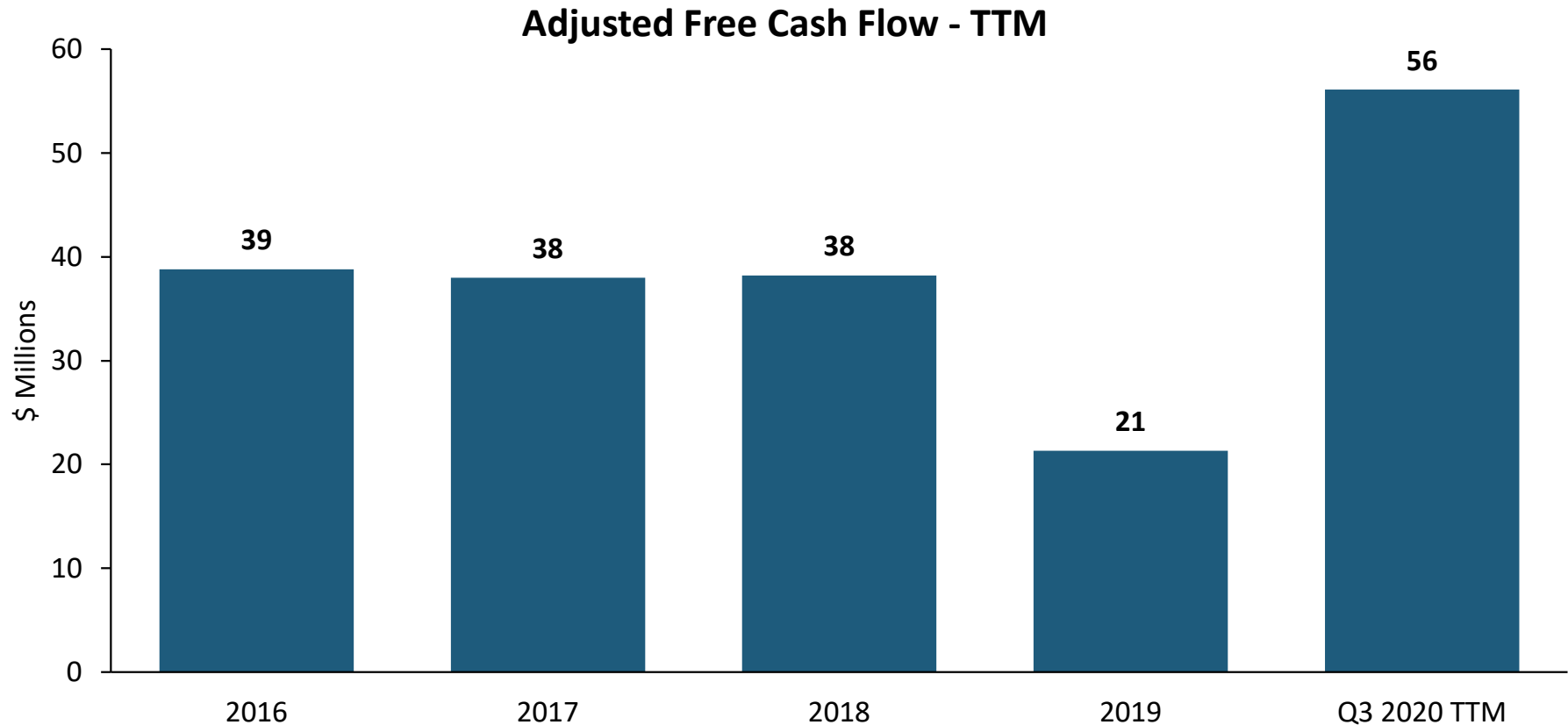
Balance Sheet Strength and Liquidity



- Overall inventory decreased \$115 million from Q3 2019, comprised of a \$95 million decrease in Agriculture and a \$20 million decrease in Transportation
- Repaid all amounts owing under the syndicate operating facility and capital facilities during Q3 2020
- Liquidity increased 44% from Q4 2019 and 33% from Q3 2019
- Repurchased 290 thousand shares at a cost of \$2.1 million
- Quarterly dividend of \$0.015 per share declared for the third quarter
- Strong positioning relative to our lending covenants with significant operating flexibility

Adjusted Free Cash Flow

Adjusted Free Cash Flow of \$56 Million for the Trailing Twelve Months Ended September 30, 2020

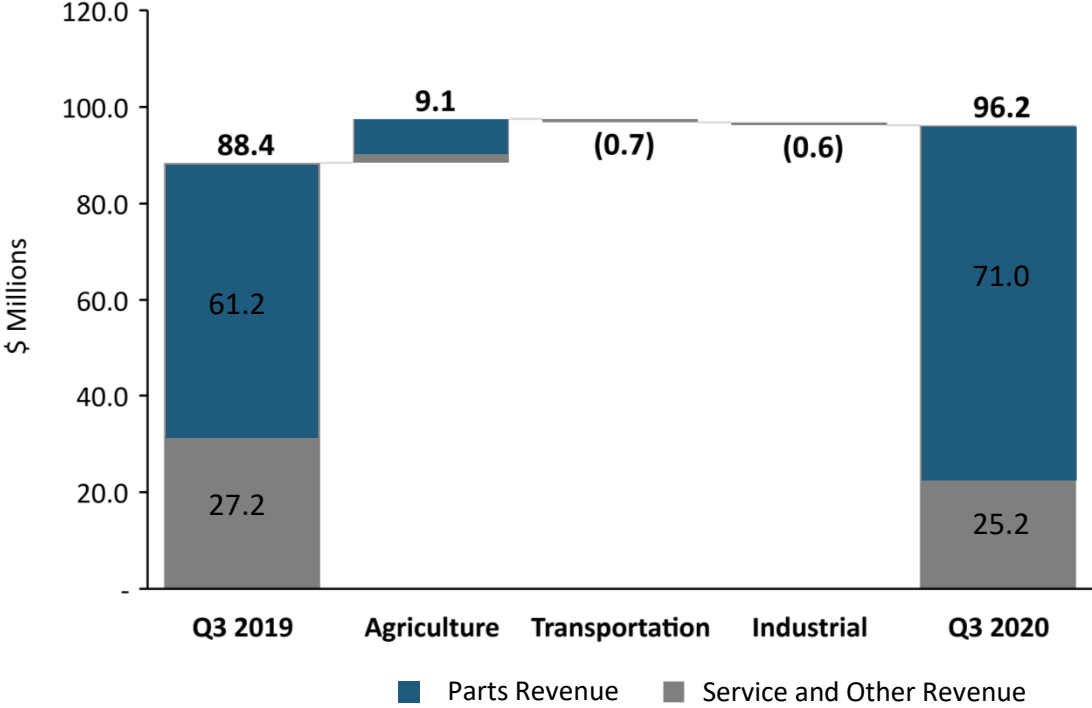


Adjusted Free Cash Flow is a non-GAAP financial measure, defined as cash flow from operating activities before changes in non-cash working capital, less sustaining capital expenditures, excluding acquisition or disposals of dealerships and real estate.

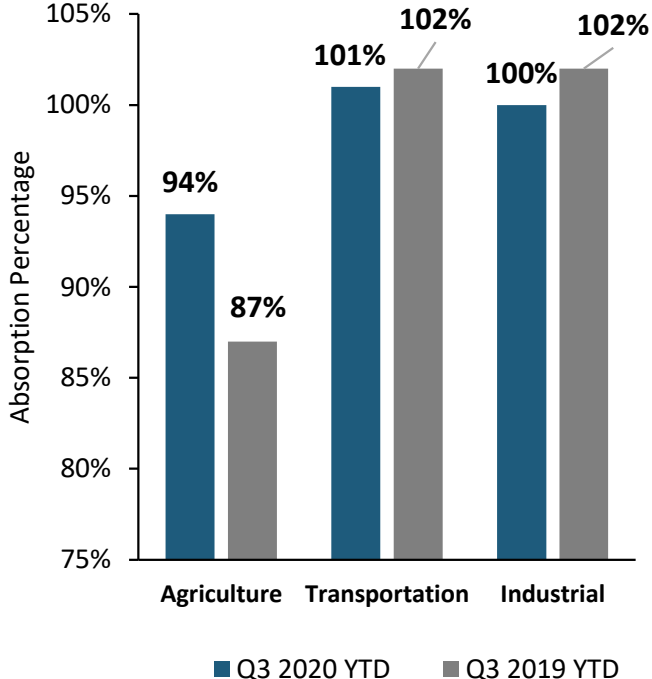
Q3 2020 Strategic Performance

Agriculture Product Support Growth and Cost Efficiencies Drive Improved Absorption

Product Support Revenue from Q3 2019 to Q3 2020



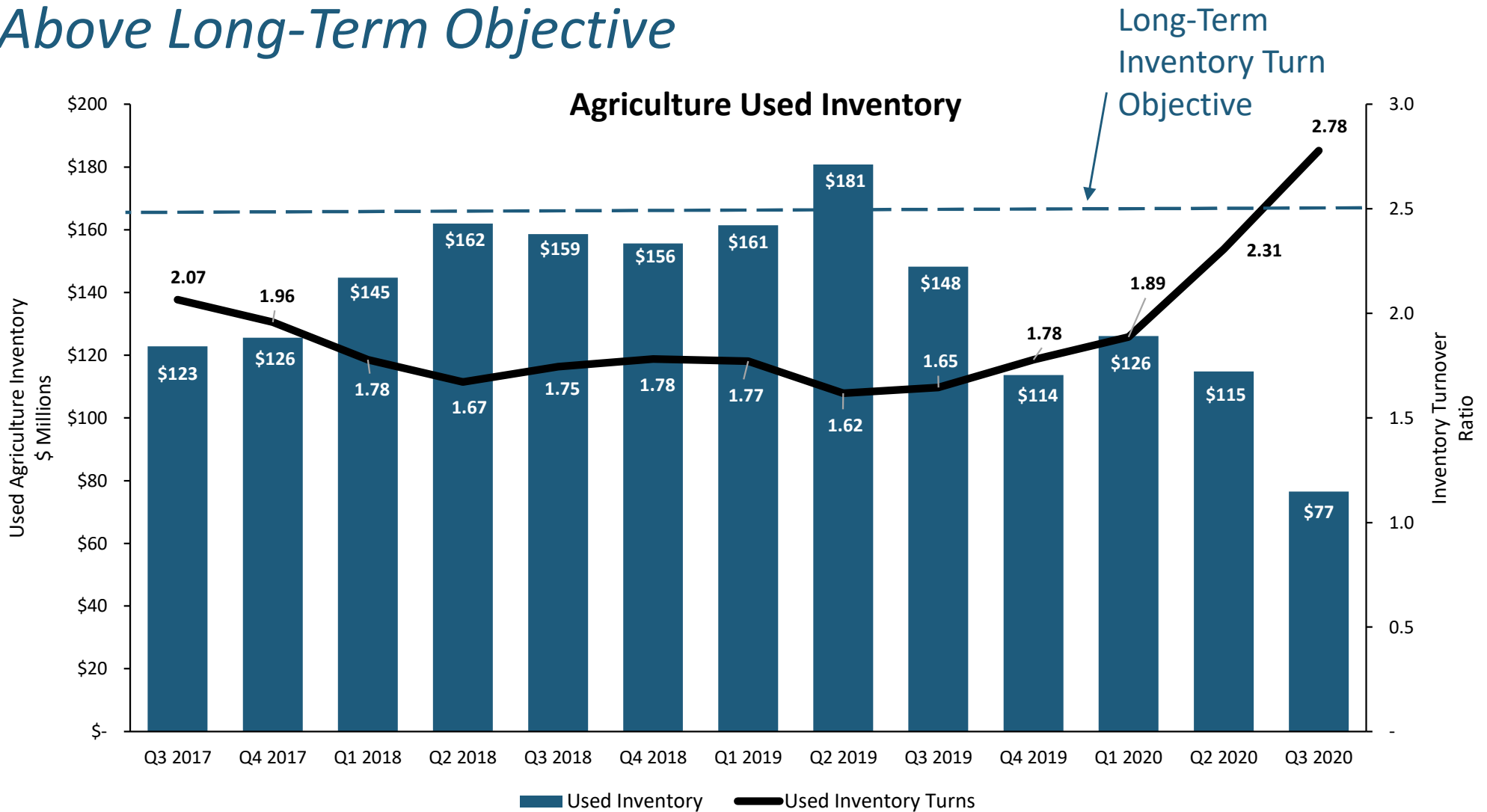
Q3 YTD Absorption Percentage



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.

Inventory Turns Support Improved ROIC

Above Long-Term Objective



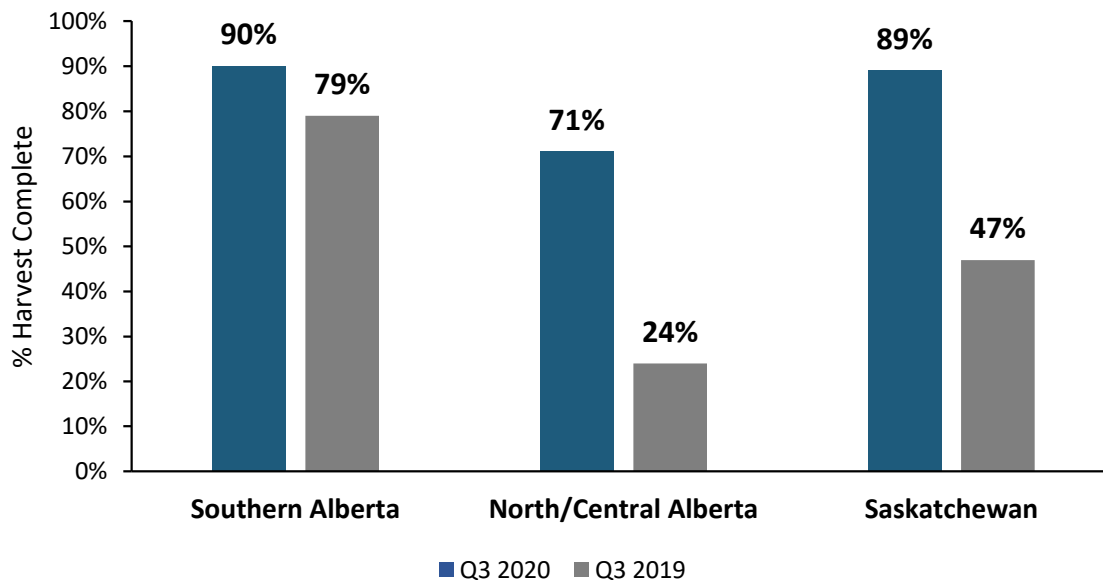
Inventory turnover is non-GAAP financial measure, calculated as trailing twelve month equipment cost of sales divided by the quarterly average inventory for the most recent four quarters.

Return on invested capital (“ROIC”) is a non-GAAP financial measure, calculated as trailing twelve months income before income tax excluding unrealized (gains) losses from foreign currency, plus finance costs less floorplan interest expense, divided by 4 quarter average total invested capital. Total invested capital is calculated as average net debt plus book value of equity.

Canada Regional Crop Conditions

Early Harvest and Above Average Quality Crops Improve Farmer Sentiment

Harvest Status in Canada^{1,2}



Region	Crop Yield	Crop Quality
Southern Alberta ⁽¹⁾	Above Average	Above Average
North/Central Alberta ⁽¹⁾	Above Average	Above Average
Saskatchewan ⁽²⁾	Average	Above Average

(1) Alberta Agriculture and Forestry, Alberta Crop Report, as at September 29, 2020.

(2) Saskatchewan Ministry of Agriculture, Crop Report, as at September 28, 2020 and October 19, 2020.

Industry Outlook

Agriculture Producers Remain Cautious due to Trade and Economic Uncertainty

Agriculture

Canada

- Farmer sentiment has improved on the completion of successful harvest, supported by improved crop prices.
- Customers remain cautious in managing their costs and cash flow due to continued uncertainty on trade issues and the pandemic.
- Q4 2020 focus is on the sale of new equipment in 2021 through the John Deere early order program. Combined with the early 2020 harvest, this is anticipated to result in lower sales activity in the fourth quarter, relative to 2019.

Australia

- Farmers are preparing for harvest, while various tax incentives and government programs continue to support consumer investment and the agriculture industry.

New Zealand

- Global uncertainty and weather volatility continues to impact farmers' confidence, although COVID-19 national restrictions have eased considerably relative to second quarter of 2020.

Industry Outlook

Transportation and Industrial Continue to be Impacted by COVID-19

Transportation

- Economic recovery in Ontario's key industries is expected to be delayed by disruptions in consumer activity, and constraints in supply chain and global demand related to COVID-19.
- This decrease in economic activity has resulted in underutilized fleets choosing to defer capital expenditures.
- Vocational trucks sales supported revenue in the third quarter, however, this market typically slows in fourth quarter.
- The collapse in the price of oil and general decrease in economic activity continues to impact operations in Saskatchewan.

Industrial

- The decrease in economic activity related to COVID-19, and a collapse in the price of oil, continue to weigh on economic activity in Alberta and Saskatchewan.
- Training and preventative maintenance performed on-site at customer locations have resumed at reduced capacity to comply with physical distancing requirements.



CERVUS EQUIPMENT Q3 2020 Q&A

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