
Q3 Results Summary and Consolidation of Industrial Locations



Summary of Quarter Ended September 30, 2016



- Total revenues contracted by \$33.3 million or 13.0%
- Gross profit decreased by \$3.2 million or 7.9% (16.6% of sales, up from 15.6%)
- Inventory decreased to \$445.6 million, the lowest reported level since 2012
- Operating SG&A⁽¹⁾ declined by \$3.7 million or 14.6% (9.6% of sales, down from 9.8%)
- Adjusted Diluted Earnings per Share⁽¹⁾ of \$0.37, up from \$0.35 in Q3 2015
- Adjusted EBITDA⁽¹⁾ increased by \$0.5 million or 4.3%
- Floor Plan Neutral Operating Cash Flow⁽¹⁾ increased by \$13.8 million or 28.3%

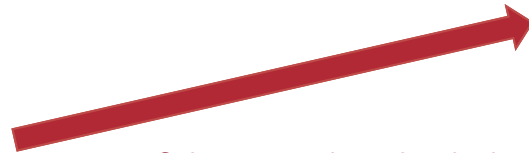
(1) – Refer to MD&A for explanation and reconciliation of these non-IFRS measures.

Consolidation of Industrial Distribution



Industrial Facilities

Agriculture Facilities



Red Deer operations absorbed by Red Deer NH

Calgary operations absorbed by Balzac and High River





Key Data

- Facility closure date = June 30, 2016
- Completion date = October 1, 2016
- Discontinuing annual costs of approximately \$3.0 million⁽¹⁾
- Estimated one-time costs recognized during the quarter- and year-to-date of \$1.3 million and \$3.6 million, respectively

(1) – Our Calgary, Red Deer and Edmonton Metso (consolidated in December 2015) facilities have historically incurred approximately \$3.0 million in annual facility and other administrative costs which are expected to discontinue.