



WAJAX CORPORATION
News Release

TSX Symbol: WJX

WAJAX ANNOUNCES 2024 FIRST QUARTER RESULTS

Revenue Decreases 6.5% While Increased Backlog and New Hitachi Construction Machinery Americas Financing Program Supports Continued Momentum in Near Term

Toronto, Ontario – May 1, 2024 – Wajax Corporation (“**Wajax**” or the “**Corporation**”) today announced its 2024 first quarter results. All monetary amounts are in Canadian dollars unless otherwise noted.

Selected Highlights for the First Quarter

- First quarter revenue of \$482.3 million and adjusted basic earnings per share of \$0.59;
- First quarter gross profit margin of 22.0%, up from 20.4% in 2023, due to a higher proportion of, and higher margins on, product support, industrial parts and engineered repair services (“**ERS**”) sales;
- First quarter adjusted EBITDA margin of 8.4%, up from 8.3% in 2023;
- Backlog at March 31, 2024 of \$587.1 million increased \$33.1 million, or 6.0%, compared to December 31, 2023 backlog of \$554.0 million, due primarily to higher construction and forestry orders; and
- Effective March 1, 2024, Hitachi Construction Machinery Americas Inc. (“**HCMA**”) introduced a new financing program with competitive rates that will benefit Wajax customers and is expected to result in stronger equipment sales in the near term.⁽¹⁾

“In the first quarter of 2024, Wajax delivered revenue of \$482.3 million, down \$33.7 million, or 6.5%, from the first quarter of 2023. This year over year decrease was primarily due to a decline in construction and forestry equipment sales in western and eastern Canada,” said Iggy Domagalski, President and Chief Executive Officer. “Given our increased backlog of \$587.1 million as at March 31, 2024, and the new HCMA financing program available March 1, 2024, stronger equipment sales are expected in the near term, and inventory is expected to decline over the next two quarters.”⁽¹⁾

He continued, “The recently completed \$100.0 million increase in credit limit under our senior secured credit facility provides us with additional flexibility as we continue to invest in future organic growth and our robust pipeline of potential acquisitions. We continue to monitor end markets and customer purchasing patterns, while being prudent with costs and maintaining focus on the execution of our strategic priorities.”

(Dollars in millions, except per share data)

CONSOLIDATED RESULTS

	Three Months Ended March 31		
	2024	2023	% change
Revenue	\$482.3	\$516.1	(6.5)%
Equipment sales	\$98.1	\$132.3	(25.8) %
Product support	\$134.3	\$134.8	(0.4) %
Industrial parts	\$154.9	\$153.3	1.0 %
Engineered repair services (ERS)	\$84.2	\$85.0	(0.9) %
Equipment rental	\$10.8	\$10.7	0.5 %
Net earnings	\$14.7	\$17.5	(15.8)%
Basic earnings per share⁽²⁾	\$0.68	\$0.81	(16.5)%
Adjusted net earnings⁽¹⁾⁽³⁾	\$12.8	\$17.8	(27.8)%
Adjusted basic earnings per share⁽¹⁾⁽²⁾⁽³⁾	\$0.59	\$0.83	(28.5)%
Adjusted EBIT⁽¹⁾	\$25.6	\$29.0	(11.8) %
Adjusted EBITDA⁽¹⁾	\$40.7	\$43.0	(5.3)%
Adjusted EBIT margin⁽¹⁾	5.3%	5.6%	(5.7)%
Adjusted EBITDA margin⁽¹⁾	8.4%	8.3%	1.3 %

Outlook

Wajax continues to see solid fundamentals in many of the markets it serves – particularly in mining and energy, supported by relatively elevated commodity prices and sustained customer budgeting for capital projects.

Effective March 1, 2024, HCMA introduced a new financing program with competitive rates that will benefit Wajax's customers and is expected to result in stronger equipment sales in the near term. The majority of recent increases in short-term equipment rental arrangements are also expected to convert to equipment sales within six to twelve months, and as at March 31, 2024, Wajax had \$54.2 million of equipment inventory related to such arrangements.

As at March 31, 2024, the Corporation's inventory of \$747.4 million increased by \$116.4 million sequentially from December 31, 2023. This was primarily due to lower equipment sales in the first quarter of 2024, as well as management's determination to accept early delivery of certain equipment inventory in exchange for more favourable payment terms. Given the Corporation's increased backlog and the new HCMA financing program, inventory is expected to decline over the next two quarters.

On January 11, 2024, the Corporation amended its senior secured credit facility to increase the facility limit from \$400.0 million to \$500.0 million. The increase provides the Corporation with additional flexibility as management continues to invest in future organic growth and the Corporation's robust pipeline of potential acquisitions. The Corporation's \$57.0 million in senior unsecured debentures mature on January 15, 2025, and management is evaluating options to repay or refinance such debentures.

Management continues to monitor end markets and customer purchasing patterns, while being prudent with costs, and continuing to focus on the execution of its six strategic priorities for 2024: continuing to build a "people first" company; growing Wajax's existing business with a focus on parts, service and margin improvement; unlocking the potential of Wajax's enhanced direct relationship with Hitachi; acquiring industrial parts and ERS businesses; improving cost structure and processes; and continuing Wajax's enterprise resource planning ("ERP") system rollout and additional technology improvements. For more information regarding these priorities, please see Wajax's Management's Discussion and Analysis for the quarter ended March 31, 2024, and annual report for the year ended December 31, 2023.

Dividend

The Corporation has declared a dividend of \$0.35 per share for the second quarter of 2024, payable on July 3, 2024, to shareholders of record on June 14, 2024.

First Quarter Highlights

- Revenue in the first quarter of 2024 decreased \$33.7 million, or 6.5%, to \$482.3 million, from \$516.1 million in the first quarter of 2023. Regionally:
 - Revenue in western Canada of \$219.7 million decreased 7.7% from the same period in the prior year due primarily to lower equipment sales in the construction and forestry category. This increase was offset partially by higher industrial parts sales.
 - Revenue in central Canada of \$90.5 million increased 3.7% from the same period in the prior year due primarily to higher ERS sales.
 - Revenue in eastern Canada of \$172.2 million decreased 9.8% from the same period in the prior year due primarily to lower equipment sales in the construction and forestry, and material handling categories.
- Gross profit margin of 22.0% in the first quarter of 2024 increased 150 basis points (“bps”) compared with gross profit margin of 20.4% in the same period of 2023. The increase was driven primarily by a higher proportion of, and higher margins on, product support, industrial parts and ERS sales.⁽¹⁾
- Selling and administrative expenses as a percentage of revenue increased to 16.4% in the first quarter of 2024 from 14.7% in the same period of 2023. Selling and administrative expenses in the first quarter of 2024 increased \$3.3 million compared with the first quarter of 2023. This increase was due primarily to higher personnel costs.⁽¹⁾
- EBIT decreased \$2.8 million, or 9.5%, to \$26.7 million in the first quarter of 2024 versus \$29.5 million in the same period of 2023. The year-over-year decrease in EBIT resulted primarily from lower sales volumes and higher personnel expenses, offset partially by an improved gross profit margin. Adjusted EBIT decreased \$3.4 million, or 11.8%, to \$25.6 million in the first quarter of 2024 from \$29.0 million in the first quarter of 2023, and adjusted EBIT margin decreased to 5.3% in the first quarter of 2024 from 5.6% in the same quarter of 2023.⁽¹⁾
- The Corporation generated net earnings of \$14.7 million, or \$0.68 per share, in the first quarter of 2024 versus \$17.5 million, or \$0.81 per share, in the same period of 2023. The Corporation generated adjusted net earnings of \$12.8 million, or \$0.59 per share, in the first quarter of 2024 versus \$17.8 million, or \$0.83 per share, in the same period of 2023. Adjusted net earnings in the first quarter of 2024 excludes non-cash gains on mark to market of derivative instruments of \$1.9 million after tax, or \$0.09 per share (2023 – losses of \$0.3 million, or \$0.01 per share).⁽¹⁾
- Adjusted EBITDA margin increased to 8.4% in the first quarter of 2024 from 8.3% in the first quarter of 2023.⁽¹⁾
- Cash flows used in operating activities amounted to \$7.3 million in the first quarter of 2024, compared with cash flows used in operating activities of \$69.6 million in the same quarter of the previous year. The increase in cash generated of \$62.2 million was mainly attributable to a decrease in contract assets of \$16.3 million during the quarter compared to an increase of \$7.0 million in the prior year, a decrease in trade and other receivables of \$18.5 million during the quarter compared to a decrease of \$5.0 million in the prior year, and income taxes paid of \$10.0 million during the quarter compared to \$27.0 million in the prior year.
- The Corporation's backlog at March 31, 2024 of \$587.1 million increased \$33.1 million, or 6.0%, compared to December 31, 2023 backlog of \$554.0 million due primarily to higher construction and forestry orders. The Corporation's backlog at March 31, 2024 increased \$56.4 million, or 10.6%, compared to March 31, 2023 backlog of \$530.8 million due to higher mining and material handling orders, offset partially by lower construction and forestry, and industrial parts orders.⁽¹⁾

- Working capital of \$542.9 million at March 31, 2024 decreased \$17.4 million from December 31, 2023 due primarily to higher accounts payable and accrued liabilities, lower trade and other receivables, lower contract assets, and the Corporation's unsecured subordinated debentures being classified within current liabilities in the current quarter versus non-current liabilities in the prior quarter. These decreases were offset partially by higher inventory. Working capital efficiency was 25.6%, an increase of 180 bps from December 31, 2023, due to the higher trailing four quarter average working capital and the lower trailing 12-month revenue. Excluding the debentures, working capital of \$599.3 million at March 31, 2024 increased \$39.1 million from December 31, 2023, and working capital efficiency was 26.3%, an increase of 240 bps from December 31, 2023.⁽¹⁾
- The Corporation's leverage ratio increased to 2.20 times at March 31, 2024, compared to 1.98 times at December 31, 2023. The increase in leverage ratio was due to the higher debt level in the current period, driven largely by the Corporation's investment in inventory, and lower trailing 12-month pro-forma adjusted EBITDA. The Corporation's senior secured leverage ratio was 1.85 times at March 31, 2024, compared to 1.64 times at December 31, 2023.⁽¹⁾
- Effective January 2, 2024, Wajax completed adjustments to its senior management structure following the retirement of Steve Deck, Chief Operating Officer and Senior Vice President, Heavy Equipment. Brian Deacon was appointed to the role of Senior Vice President, Category Management, and André Dubé to the role of Senior Vice President, Sales and Operations. Mr. Deacon first joined Wajax in 2011 after 14 years in the equipment industry, and has held increasingly senior roles at the Corporation, including Regional Branch Manager – Equipment, and Vice President, Service Operations. Most recently, he was serving as Regional Vice President, Western Canada. Mr. Dubé first joined Wajax in 1999 as a strategic sourcing specialist, and most recently, was serving as Senior Vice President, Industrial Part and ERS.
- On January 11, 2024, Wajax amended its senior secured credit facility to increase the facility limit from \$400.0 million to \$500.0 million. The facility is now composed of a \$50.0 million non-revolving term facility and a \$450.0 million revolving term facility. There was no change to the maturity date of the senior secured credit facility.
- On March 4, 2024, the Corporation announced a 6% increase in its quarterly dividend. A dividend of \$0.35 per share was declared for the first quarter of 2024, paid on April 2, 2024, to shareholders of record on March 15, 2024.

Conference Call Details

Wajax will webcast its First Quarter Financial Results Conference Call. You are invited to listen to the live webcast on Thursday, May 2, 2024 at 2:00 p.m. EDT. To access the webcast, please visit our website wajax.com, under “Investor Relations”, “Events and Presentations”, “Q1 2024 Financial Results” and click on the “Webcast” link. An archive of the webcast will be available following the live presentation.

About Wajax Corporation

Founded in 1858, Wajax (TSX: WJX) is one of Canada’s longest-standing and most diversified industrial products and services providers. The Corporation operates an integrated distribution system providing sales, parts and services to a broad range of customers in diverse sectors of the Canadian economy, including: construction, forestry, mining, industrial and commercial, oil sands, transportation, metal processing, government and utilities, and oil and gas.

Notes:

- (1) “Backlog”, “Working capital”, “Gross profit margin”, “Selling and administrative expenses as a percentage of revenue”, “Working capital efficiency”, “Leverage ratio”, “Senior secured leverage ratio”, “Adjusted net earnings”, “Adjusted basic and diluted earnings per share”, “Adjusted EBIT”, “Adjusted EBIT margin”, “Adjusted EBITDA”, and “Adjusted EBITDA margin” do not have standardized meanings prescribed by generally accepted accounting principles (“GAAP”). See the Non-GAAP and Other Financial Measures section later in this press release.
- (2) Weighted average shares, net of shares held in trust, outstanding for calculation of basic and diluted earnings per share for the three months ended March 31, 2024 were 21,682,241 (2023 - 21,489,126) and 22,265,084 (2023 - 22,154,023), respectively.
- (3) Net earnings excluding the following:
 - a. after-tax non-cash gains on mark to market of derivative instruments of \$1.9 million (2023 – losses of \$0.3 million), or basic and diluted earnings per share of \$0.09 and \$0.08, respectively (2023 – \$0.01 loss per share) for the three months ended March 31, 2024.

Non-GAAP and Other Financial Measures

The press release contains certain non-GAAP and other financial measures that do not have a standardized meaning prescribed by GAAP. Therefore, these financial measures may not be comparable to similar measures presented by other issuers. Investors are cautioned that these measures should not be construed as an alternative to net earnings or to cash flow from operating, investing, and financing activities determined in accordance with GAAP as indicators of the Corporation's performance. The Corporation's management believes that:

- (i) these measures are commonly reported and widely used by investors and management;
- (ii) the non-GAAP measures are commonly used as an indicator of a company's cash operating performance, profitability and ability to raise and service debt;
- (iii) **"Adjusted net earnings", "Adjusted basic earnings per share" and "Adjusted diluted earnings per share"** provide indications of the results by the Corporation's principal business activities prior to recognizing non-recurring costs (recoveries) and non-cash losses (gains) on mark to market of derivative instruments. These adjustments to net earnings and basic and diluted earnings per share allow the Corporation's management to consistently compare periods by removing infrequent charges incurred outside of the Corporation's principal business activities and the impact of unrealized losses (gains) resulting from fluctuations in interest rates and the Corporation's share price;
- (iv) **"Adjusted EBITDA"** provides an indication of the results by the Corporation's principal business activities prior to recognizing non-recurring costs (recoveries) and non-cash losses (gains) on mark to market of derivative instruments. These adjustments to net earnings allow the Corporation's management to consistently compare periods by removing infrequent charges incurred outside of the Corporation's principal business activities, the impact of unrealized losses (gains) resulting from fluctuations in interest rates and the Corporation's share price, the impact of fluctuations in finance costs related to the Corporation's capital structure, the impact of tax rates, and the impact of depreciation and amortization of long-term assets; and
- (v) **"Pro-forma adjusted EBITDA"** provides the same utility as Adjusted EBITDA described above, however pursuant to the terms of the bank credit facility, is adjusted for the EBITDA of business acquisitions made during the period as if they were made at the beginning of the trailing 12-month period, and for the deduction of payments of lease liabilities. Pro-forma adjusted EBITDA is used in calculating the Leverage ratio and Senior secured leverage ratio.

Non-GAAP financial measures are identified and defined below:

Funded net debt	Funded net debt includes bank indebtedness, debentures and total long-term debt, net of cash. Funded net debt is relevant in calculating the Corporation's funded net debt to total capital, which is a non-GAAP ratio commonly used as an indicator of a company's ability to raise and service debt.
Debt	Debt is funded net debt plus letters of credit. Debt is relevant in calculating the Corporation's leverage ratio, which is a non-GAAP ratio commonly used as an indicator of a company's ability to raise and service debt.
Total capital	Total capital is shareholders' equity plus funded net debt.
EBITDA	Net earnings (loss) before finance costs, income tax expense, depreciation and amortization.
Adjusted net earnings (loss)	Net earnings (loss) before any facility closure, restructuring, and other related costs, gains/losses recorded on sale of properties, non-cash gains/losses on mark to market of derivative instruments, and change in fair value of contingent consideration.
Adjusted basic earnings (loss) per share and adjusted diluted earnings (loss) per share	Basic and diluted earnings (loss) per share before any facility closure, restructuring, and other related costs, gains/losses recorded on sale of properties, non-cash gains/losses on mark to market of derivative instruments, and change in fair value of contingent consideration.

Adjusted EBIT	EBIT before any facility closure, restructuring, and other related costs, gains/losses recorded on sale of properties, non-cash gains/losses on mark to market of derivative instruments, and change in fair value of contingent consideration.
Adjusted EBITDA	EBITDA before any facility closure, restructuring, and other related costs, gains/losses recorded on sale of properties, non-cash gains/losses on mark to market of derivative instruments, and change in fair value of contingent consideration.
Pro-forma adjusted EBITDA	Defined as adjusted EBITDA adjusted for the EBITDA of business acquisitions made during the period as if they were made at the beginning of the trailing 12-month period pursuant to the terms of the bank credit facility and the deduction of payments of lease liabilities. Pro-forma adjusted EBITDA is used in calculating the Leverage ratio and Senior secured leverage ratio.
Working capital	Defined as current assets less current liabilities, as presented in the condensed consolidated interim statements of financial position.
Other working capital amounts	Defined as working capital less trade and other receivables and inventory plus accounts payable and accrued liabilities, as presented in the condensed consolidated interim statements of financial position.

Non-GAAP ratios are identified and defined below:

Adjusted EBIT margin	Defined as adjusted EBIT (defined above) divided by revenue, as presented in the condensed consolidated interim statements of earnings.
EBITDA margin	Defined as EBITDA (defined above) divided by revenue, as presented in the condensed consolidated interim statements of earnings.
Adjusted EBITDA margin	Defined as adjusted EBITDA (defined above) divided by revenue, as presented in the condensed consolidated interim statements of earnings.
Leverage ratio	The leverage ratio is defined as debt (defined above) at the end of a particular quarter divided by trailing 12-month pro-forma adjusted EBITDA (defined above). The Corporation's objective is to maintain this ratio between 1.5 times and 2.0 times.
Senior secured leverage ratio	The senior secured leverage ratio is defined as debt (defined above) excluding debentures at the end of a particular quarter divided by trailing 12-month pro-forma adjusted EBITDA (defined above).
Funded net debt to total capital	Defined as funded net debt (defined above) divided by total capital (defined above).
Working capital efficiency	Defined as trailing four-quarter average working capital (defined above) as a percentage of the trailing 12-month revenue.

Supplementary financial measures are identified and defined below:

EBIT margin	Defined as EBIT divided by revenue, as presented in the condensed consolidated interim statements of earnings.
Backlog	Backlog is a management measure which includes the total sales value of customer purchase commitments for future delivery or commissioning of equipment, parts and related services, including ERS projects. There is no directly comparable GAAP financial measure for Backlog.
Gross profit margin	Defined as gross profit divided by revenue, as presented in the condensed consolidated interim statements of earnings.

Selling and administrative expenses as a percentage of revenue

Defined as selling and administrative expenses divided by revenue, as presented in the condensed consolidated interim statements of earnings.

Reconciliation of the Corporation's net earnings to adjusted net earnings, adjusted basic earnings per share and adjusted diluted earnings per share is as follows:

	Three months ended	
	March 31	
	2024	2023
Net earnings	\$ 14.7	\$ 17.5
Non-cash (gains) losses on mark to market of derivative instruments, after tax	(1.9)	0.3
Adjusted net earnings	\$ 12.8	\$ 17.8
Adjusted basic earnings per share⁽¹⁾	\$ 0.59	\$ 0.83
Adjusted diluted earnings per share⁽¹⁾	\$ 0.58	\$ 0.80

(1) For the three months ended March 31, 2024, the number of weighted average basic and diluted shares outstanding were 21,682,241 and 22,265,084, respectively (2023 - 21,489,126 and 22,154,023, respectively).

Reconciliation of the Corporation's EBIT to EBITDA, Adjusted EBIT, Adjusted EBITDA and Pro-forma adjusted EBITDA is as follows:

	Three months ended		Twelve months ended	
	March 31	March 31	March 31	December 31
	2024	2023	2024	2023
EBIT	\$ 26.7	\$ 29.5	\$ 134.0	\$ 136.7
Depreciation and amortization	15.1	14.0	59.7	58.6
EBITDA	\$ 41.8	\$ 43.5	\$ 193.7	\$ 195.3
EBIT	\$ 26.7	\$ 29.5	\$ 134.0	\$ 136.7
Facility closure, restructuring, and other related costs ⁽¹⁾	—	—	1.9	1.9
Gain recorded on the sale of properties	—	—	(0.1)	(0.1)
Non-cash (gains) losses on mark to market of derivative instruments, excluding interest rate swaps ⁽²⁾	(1.1)	(0.5)	(0.6)	—
Change in fair value of contingent consideration ⁽³⁾	—	—	0.3	0.3
Adjusted EBIT	\$ 25.6	\$ 29.0	\$ 135.4	\$ 138.9
Depreciation and amortization	15.1	14.0	59.7	58.6
Adjusted EBITDA	\$ 40.7	\$ 43.0	\$ 195.1	\$ 197.4
Payment of lease liabilities ⁽⁴⁾			(36.0)	(35.5)
Polyphase acquisition pro-forma EBITDA ⁽⁵⁾			1.6	3.2
Beta acquisition pro-forma EBITDA ⁽⁵⁾			0.9	1.4
Pro-forma adjusted EBITDA			\$ 161.7	\$ 166.7

(1) Facility closure, restructuring, and other related costs consists of costs accrued for a branch closure during the fourth quarter of 2023, including workforce reduction and remaining facility costs.

(2) Non-cash losses (gains) on mark to market of derivative instruments that are not effectively designated as hedging instruments under IFRS, excluding interest rate swaps as their fair value fluctuations impact finance costs.

(3) The change in fair value of contingent consideration relates to changes in the estimated fair value of future performance-based earnout payments relating to business acquisitions.

(4) Effective with the reporting period beginning on January 1, 2019 and the adoption of IFRS 16, the Corporation amended the definition of Funded net debt to exclude lease liabilities not considered part of debt. As a result, the corresponding lease costs must also be deducted from EBITDA for the purpose of calculating the leverage ratio.

(5) Pro-forma EBITDA for business acquisitions made during the period as if they were made at the beginning of the trailing 12-month period pursuant to the terms of the bank credit facility, for the purpose of calculating the leverage ratio.

Calculation of the Corporation's funded net debt, debt, leverage ratio and senior secured leverage ratio is as follows:

	March 31 2024	December 31 2023
(Cash) bank indebtedness	\$ (2.0)	\$ 1.4
Debentures	56.5	56.3
Long-term debt	297.3	267.8
Funded net debt	\$ 351.8	\$ 325.5
Letters of credit	4.1	4.8
Debt	\$ 355.9	\$ 330.3
Pro-forma adjusted EBITDA⁽¹⁾	\$ 161.7	\$ 166.7
Leverage ratio⁽²⁾	2.20	1.98
Senior secured leverage ratio⁽³⁾	1.85	1.64

(1) For the twelve months ended March 31, 2024 and December 31, 2023.

(2) Calculation uses debt divided by the trailing four-quarter Pro-forma adjusted EBITDA. This leverage ratio is calculated for purposes of monitoring the Corporation's objective target leverage ratio of between 1.5 times and 2.0 times, and is different from the leverage ratio calculated under the Corporation's bank credit facility agreement.

(3) Calculation uses debt excluding debentures divided by the trailing four-quarter Pro-forma adjusted EBITDA. While the calculation contains some differences from the leverage ratio calculated under the Corporation's bank credit facility agreement, the resulting leverage ratio under the bank credit facility agreement is not significantly different. See the Liquidity and Capital Resources section.

Calculation of total capital and funded net debt to total capital is as follows:

	March 31 2024	December 31 2023
Shareholders' equity	\$ 503.6	\$ 496.2
Funded net debt	351.8	325.5
Total capital	\$ 855.4	\$ 821.7
Funded net debt to total capital	41.1%	39.6%

Calculation of the Corporation's working capital and other working capital amounts is as follows:

	March 31 2024	December 31 2023
Total current assets	\$ 1,137.4	\$ 1,043.6
Total current liabilities	594.6	483.4
Working capital	\$ 542.9	\$ 560.2
Trade and other receivables	(290.5)	(309.1)
Inventory	(747.4)	(630.9)
Debentures - current	56.5	—
Accounts payable and accrued liabilities	464.7	407.1
Other working capital amounts	\$ 26.1	\$ 27.3

Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information, as defined in applicable securities laws (collectively, “**forward-looking statements**”). These forward-looking statements relate to future events or the Corporation’s future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward looking statements can be identified by the use of words such as “plans”, “anticipates”, “intends”, “predicts”, “expects”, “is expected”, “scheduled”, “believes”, “estimates”, “projects” or “forecasts”, or variations of, or the negatives of, such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors beyond the Corporation’s ability to predict or control which may cause actual results, performance and achievements to differ materially from those anticipated or implied in such forward-looking statements. To the extent any forward-looking information in this news release constitutes future-oriented financial information or financial outlook within the meaning of applicable securities law, such information is being provided to demonstrate the potential of the Corporation and readers are cautioned that this information may not be appropriate for any other purpose. There can be no assurance that any forward-looking statement will materialize. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this news release, reflect management’s current beliefs and are based on information currently available to management. Although management believes that the expectations represented in such forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct. Specifically, this news release includes forward looking statements regarding, among other things: our belief that HCMA’s new financing program introduced March 1, 2024 will benefit Wajax customers and result in stronger equipment sales in the near term; our expectation that stronger equipment sales will result in the near term given our increased 2024 first quarter backlog and the new HCMA financing program, and that our inventory will decline over the next two quarters; our expectation that the recently completed \$100.0 million increase in credit limit under our senior secured credit facility will provide us with additional flexibility as we continue to invest in future organic growth and our robust pipeline of potential acquisitions; our intention to continue to monitor end markets and customer purchasing patterns, while being prudent with costs and maintaining focus on the execution of our strategic priorities; our belief that fundamentals remain solid in many of the markets we serve – particularly in mining and energy; our expectation that the majority of recent increases in short-term equipment rental arrangements will also convert to equipment sales within six to twelve months; our focus on six strategic priorities for 2024: continuing to build a “people first” company, growing Wajax’s existing business with a focus on parts, service and margin improvement, unlocking the potential of Wajax’s enhanced direct relationship with Hitachi, acquiring industrial parts and ERS businesses, improving cost structure and processes, and continuing Wajax’s ERP system rollout and additional technology improvements. These statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions regarding: the absence of significant negative changes to general business and economic conditions; limited negative fluctuations in the supply and demand for, and the level and volatility of prices for, oil, natural gas and other commodities; the stability of financial market conditions, including interest rates; the ability of Hitachi and Wajax to develop and execute successful sales, marketing and other plans related to the expanded direct distribution relationship which took effect on March 1, 2022; our continued ability to execute our strategic priorities, including our ability to execute on our organic growth priorities, complete and effectively integrate industrial parts and ERS acquisitions, and successfully implement new information technology platforms, systems and software, such as our ERP system; the future financial performance of the Corporation; limited fluctuations in our costs; the level of market competition; our continued ability to attract and retain skilled staff; our continued ability to procure quality products and inventory; and our ongoing maintenance of strong relationships with suppliers, employees and customers. The foregoing list of assumptions is not exhaustive. Factors that may cause actual results to vary materially include, but are not limited to: a continued or prolonged deterioration in general business and economic conditions; negative fluctuations in the supply and demand for, and the level of prices for, oil, natural gas and other commodities; a continued or prolonged decrease in the price of oil or natural gas; the inability of Hitachi and Wajax to develop and execute successful sales, marketing and other plans related to the expanded direct distribution relationship which took effect on March 1, 2022; a decrease in levels of customer confidence and spending; supply chain disruptions and shortages; fluctuations in financial market conditions, including interest rates; the level of demand for, and prices of, the products and services we offer; decreased market acceptance of the products we offer; the termination of distribution or original equipment manufacturer agreements; unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance

with specifications or expectations, cost escalation, our inability to reduce costs in response to slow-downs in market activity, unavailability of quality products or inventory, supply disruptions, job action and unanticipated events related to health, safety and environmental matters); our inability to attract and retain skilled staff and our inability to maintain strong relationships with our suppliers, employees and customers. The foregoing list of factors is not exhaustive. Further information concerning the risks and uncertainties associated with these forward-looking statements and the Corporation's business may be found in our Management's Discussion and Analysis for the year-ended December 31, 2023 (the "**2023 MD&A**"), which has been filed under the Corporation's profile on SEDAR+ at www.sedarplus.ca, under the heading "Risk Management and Uncertainties". The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. The Corporation does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

Readers are cautioned that the risks described in the 2023 MD&A are not the only risks that could impact the Corporation. Risks and uncertainties not currently known to the Corporation, or currently deemed to be immaterial, may have a material effect on the Corporation's business, financial condition or results of operations.

Additional information, including Wajax's Annual Report, is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

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