



**ROCKY
MOUNTAIN
DEALERSHIPS**



Q4 & FY 2019 Results

March 11, 2020

Forward Looking Statements and Non-IFRS Measures

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Non-IFRS Measures – Certain financial measures in this presentation are not prescribed by IFRS. All non-IFRS measures presented herein do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. Therefore, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. All non-IFRS measures are included because management uses the information to analyze operating performance and results, and therefore may be considered useful information by investors.

Our shares trade on the Toronto Stock Exchange under the symbol RME.

2019 Summary:

RME ACTIONS IN 2019 POSITION COMPANY DEFENSIVELY FOR 2020

Active inventory management holds overall levels in-line year-over-year despite sales headwinds

- Gross margin percentage increased to 14.3% from 13.5% in the same period in 2018 as sales mix shifted towards higher-margin parts and service sales;
- 2019 SG&A costs decreased \$8.4 million (8.4%) from full year 2018 levels, \$5.7 million of which was realized in the fourth quarter;
- Reported sales of \$775.1 million decreased 26.3% compared with the same period in 2018 due primarily to negative customer sentiment driven by unresolved trade disputes.

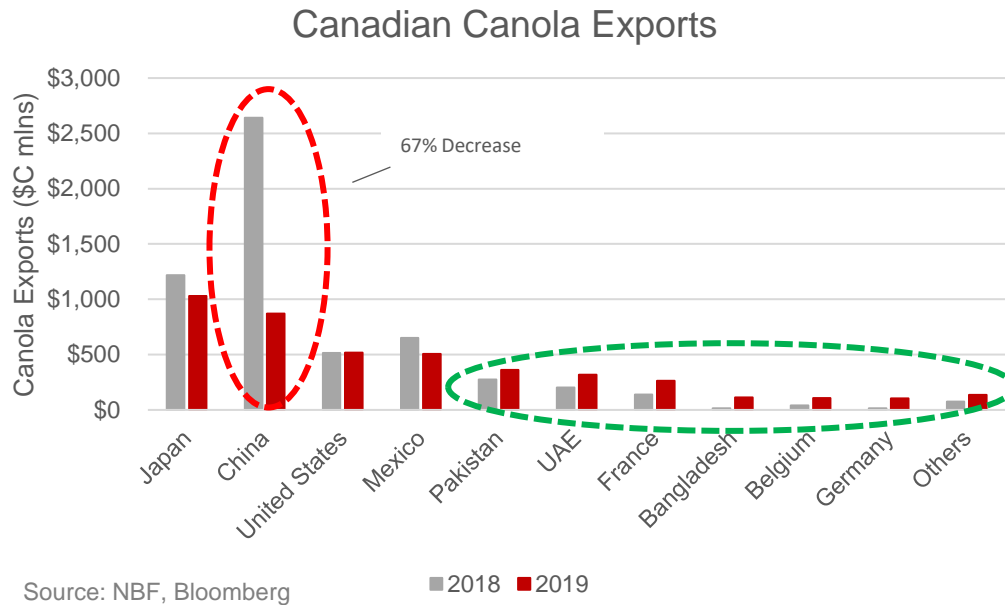
GEOPOLITICAL UNCERTAINTY DAMPENED INDUSTRY DEMAND IN 2019

Macroeconomic Forces:

CANADIAN CROP PRICE DECOUPLING PROVIDES OPTIONS

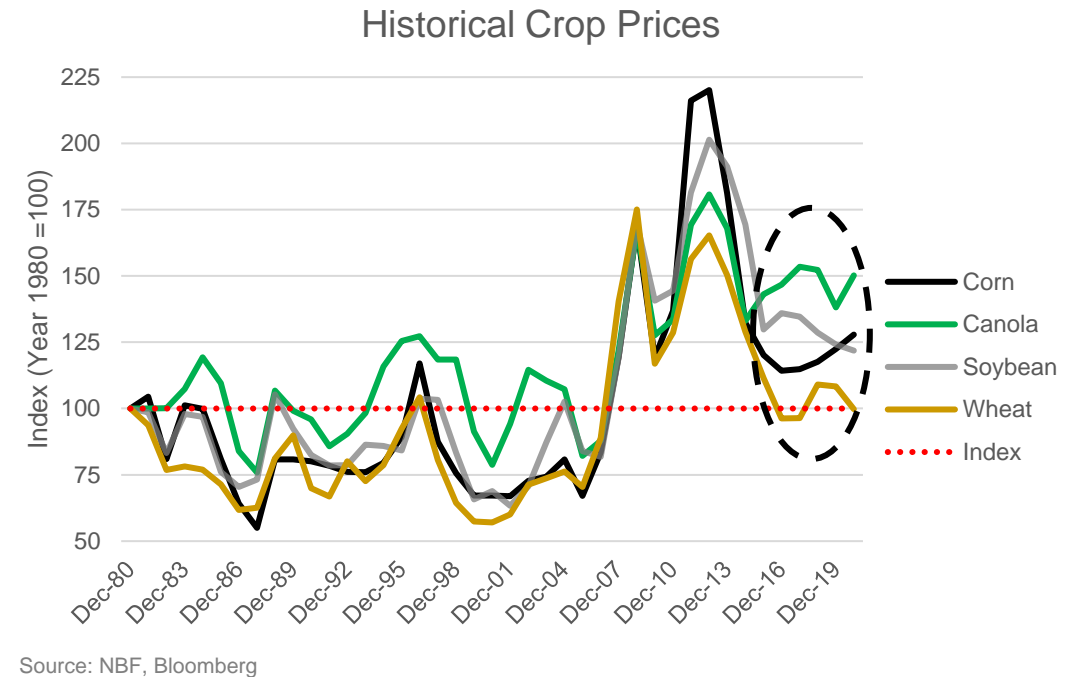
67% Decrease in Canola Exports to China

China decrease offset somewhat by expansion in other international markets



Canola Prices Declined in 2019

2020 futures pricing for canola indicates rebound to pre-2019 levels

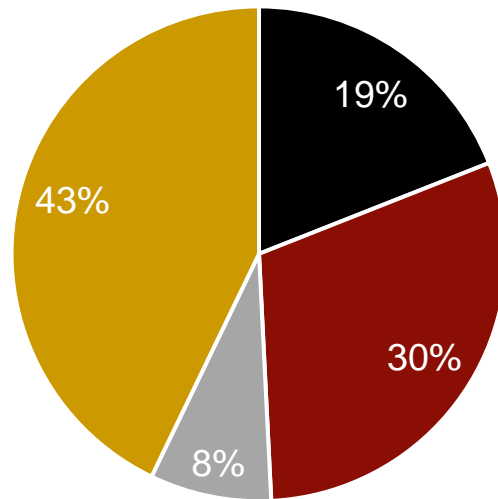


WE EXPECT CANADIAN FARMERS TO PLANT LESS CANOLA IN 2020 TO DIVERSIFY INCOMES

Grain Production Split:

CROP DIVERSITY FAVOURS CANADIAN FARMERS

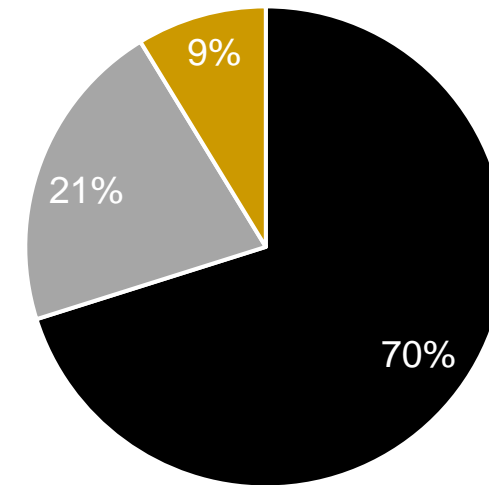
2019 Canadian Grain Production Split



■ Corn ■ Canola ■ Soybean ■ Wheat

Source: NBF, USDA

2019 U.S. Grain Production Split



■ Corn ■ Soybean ■ Wheat

Source: NBF, USDA

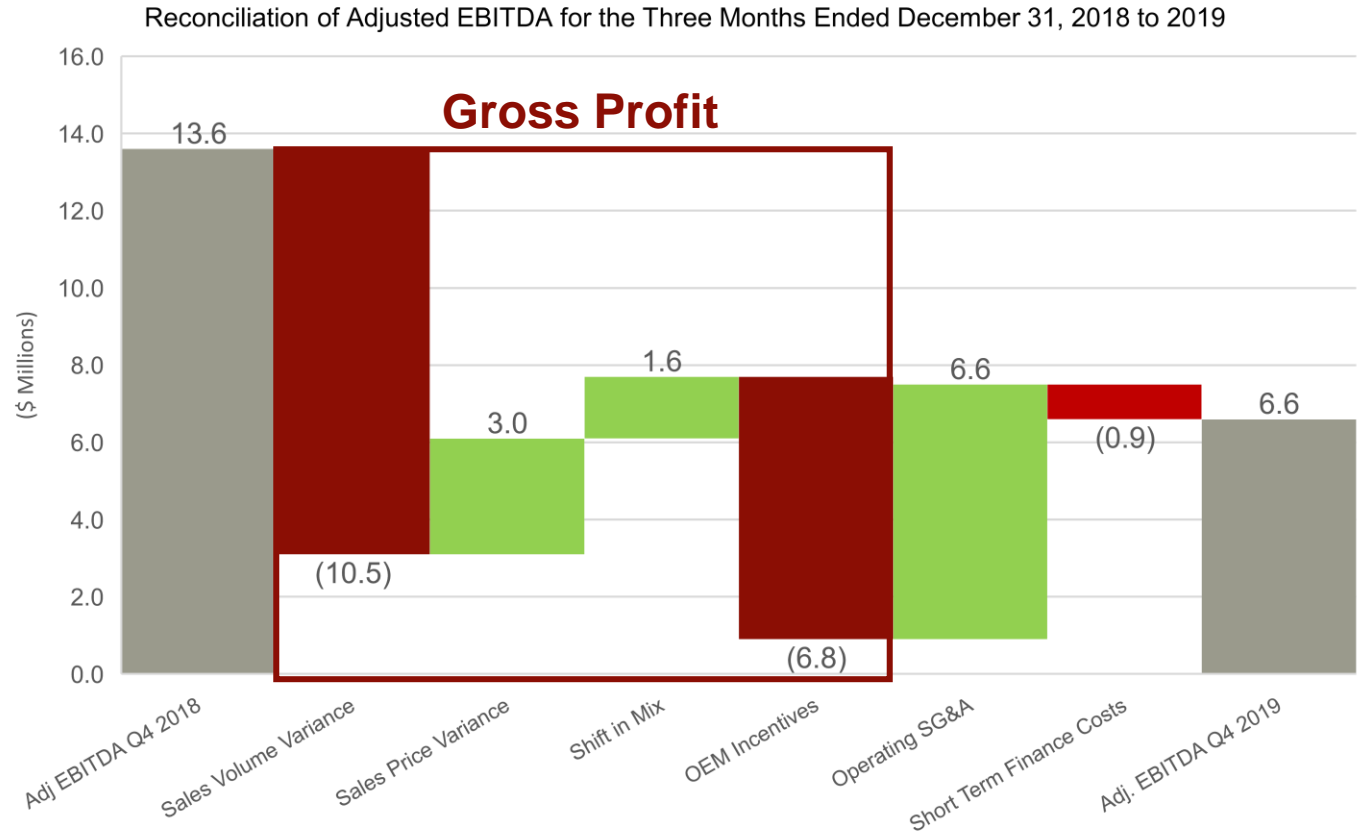
CROP DIVERSITY PROVIDES OPTIONS TO IMPROVE CERTAINTY FOR FARM INCOMES

Q4 Waterfall Chart:

Q4/19 ADJUSTED EBITDA OF \$6.6 MILLION

Fourth Quarter Analysis

- Gross profit as a percentage of sales decreased to 12.6% vs 13.6% in Q4/18
- Sales decreased ~\$77 million (26.0%) year-over-year reflecting persistent macroeconomic headwinds and weaker 2019 demand

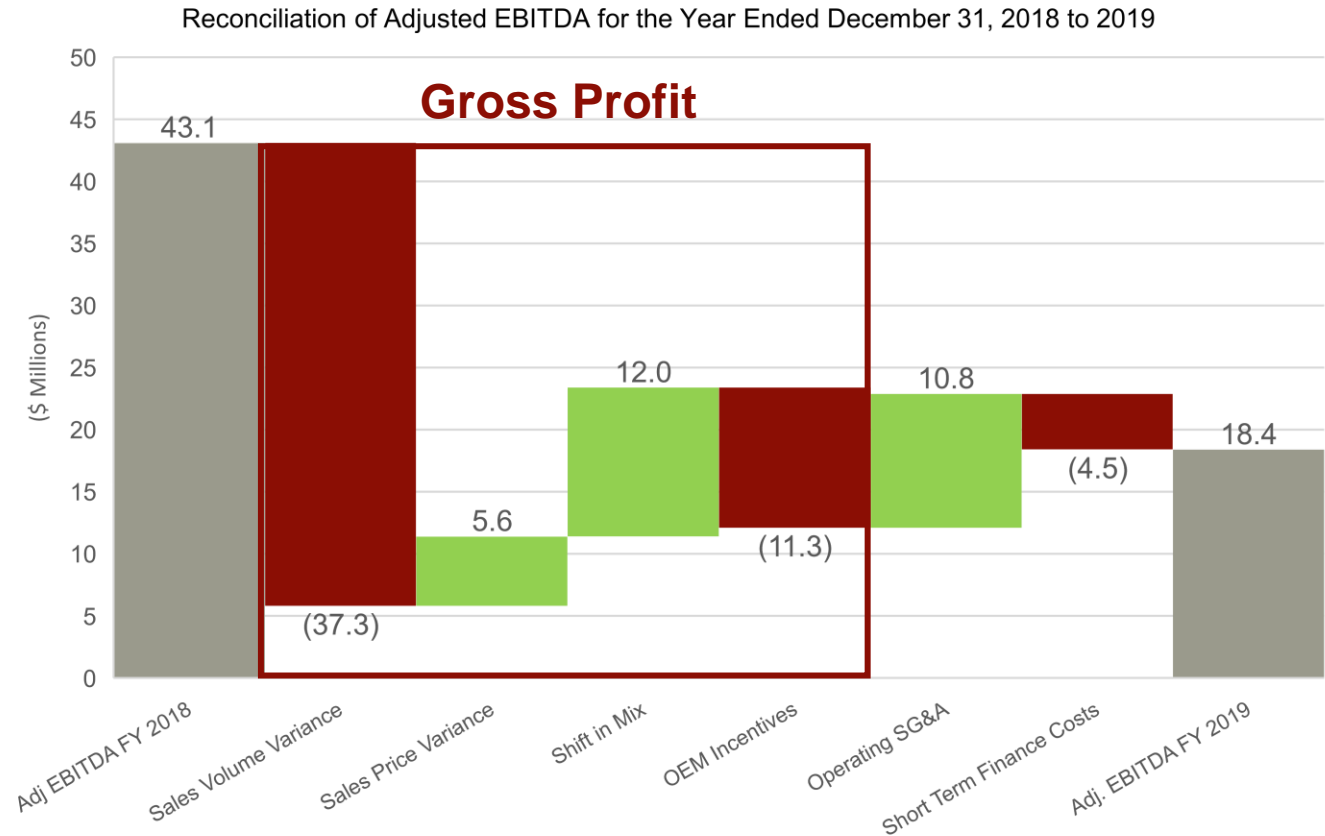


2019 Waterfall Chart:

2019 ADJUSTED EBITDA OF \$18.4 MILLION

Full Year Analysis

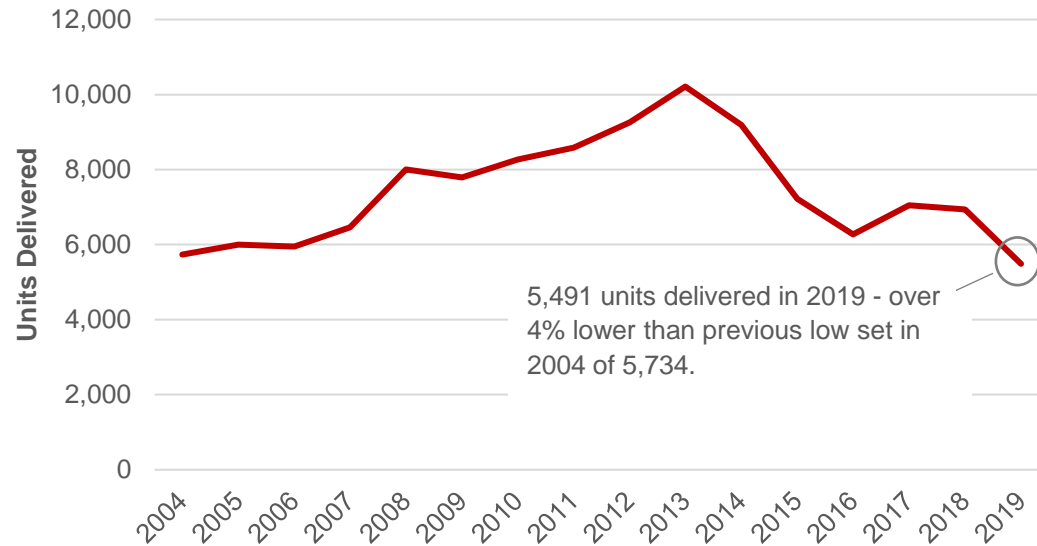
- Gross profit as a percentage of sales increased to 14.3% vs 13.5% in 2018
- Sales decreased ~\$276 million (26.3%) year-over-year reflecting persistent macroeconomic headwinds and weaker 2019 demand



Our Market:

2019 DELIVERIES OF NEW AGRICULTURE EQUIPMENT AT 15 YEAR LOW

Agriculture Equipment Units Delivered in Canada:



Source: AEM Canada Ag Tractor and Combine Report – 2WD 100+ HP and 4WD tractors and Self Propelled Combines (Dec. 2019)

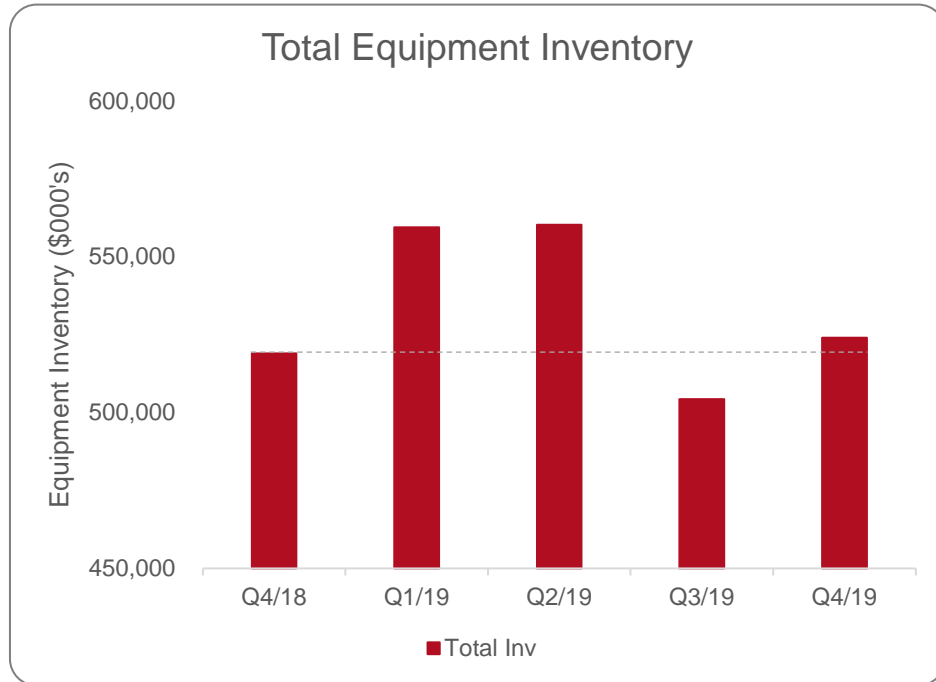


Our Inventory:

ACTIVELY MANAGING INVENTORY AGAINST A 26% DECLINE IN SALES

New Inventory Declines Y-o-Y

Total equipment inventory in-line with year-end 2018 levels



- Facing significant macroeconomic headwinds and weak demand in H1/19, total equipment inventories peaked at over \$560 million in Q2/19
- By year-end 2019 total equipment inventories were brought back to ~\$524 million, in-line with levels at year-end 2018 (~\$519 million)

RME CONTAINED INVENTORY LEVELS DESPITE LOW DEMAND CYCLE IN 2019

Balance Sheet:

**WORKING HARD TO MAINTAIN BALANCE SHEET
STRENGTH: \$262M IN AVAILABLE CREDIT**

**Debt levels remain relatively stable
year-over-year**

\$6.6 million

In Cash Available

(\$ millions)	Facility Limit	Amount Drawn	Available
Operating Facility	40.0	10.0	30.0
Term Facility	35.0	31.3	3.7
Various floor plan facilities			
OEM floor plan facilities	270.0	189.4	80.6
Syndicated flooring facility	125.0	111.9	13.1
Other floor plan facility	249.5	115.4	134.1
	719.5	458.0	261.5

Information as at December 31, 2019. Refer to our most recent MD&A for restrictions on the availability of liquidity

Thank You!

