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TSX Symbol: SQP **For Immediate Release**

Strongco Announces Second Quarter 2019 Results

—Steady performance despite continued challenges in key markets—

Mississauga, Ontario – July 31, 2019– Strongco Corporation (TSX: SQP) today reported financial results for the second quarter ended June 30, 2019.

Financial Summary
($ thousands except per share amounts)

Period Ended June 30	Three Months		Six Months	
	2019	2018	**2019**	2018
Revenues	**112.7**	122.0	**204.7**	211.0
Gross Profit	**19.5**	19.7	**36.8**	37.1
Operating Income	**5.1**	3.7	**8.8**	6.0
EBITDA*	**11.1**	7.5	**20.6**	14.4
Interest Expense	**3.4**	2.1	**7.0**	4.2
Pretax Income	**1.7**	1.7	**1.8**	1.8
Net Income	**1.7**	1.7	**1.8**	1.8
Basic and Diluted Income Per Share	**0.13**	0.13	**0.14**	**0.14**
Equipment Inventory			**188.2**	151.5
Equipment Notes Payable			**172.5**	137.6

“We are pleased to report that our profits are continuing to grow. Excluding the additional non-cash expenses due to IFRS 16 (more below), the bottom line grew by $0.5 million in the quarter and $1 million year-to-date,” said Robert Beutel, Executive Chairman of Strongco. “Omitting the one-time charge in Q3 2018 due to a lease termination in Fort McMurray, this is our sixth consecutive profitable quarter, and cash generated from operations continues to increase. While we did see a decline in equipment sales this quarter versus last year, rental and product support revenues were both higher, and gross margins increased. This, combined with lower expenses from our cost reduction initiatives, resulted in substantially improved operating profit. These improvements are the result of the diligent efforts of the entire team in keeping customers satisfied and having a long-term perspective.”

“We remain cautiously optimistic that market conditions will rally over the balance of 2019 and will continue to align both inventory and expense management with anticipated demand, paving the way for further success.”

“Subsequent to the quarter end, in response to its improved performance over the last several quarters, the Company was granted a 100 bp decrease in the cost of funds on its operating line from its bank,” added Mr. Beutel.

Adoption of IFRS 16 Leases (Effective January 1, 2019)
The current period results include the impacts from the adoption of IFRS 16, the new accounting standard for leases, as illustrated and explained in the analysis of operating results in the complete second quarter 2019 MD&A available on our website at www.strongco.com/en/investor-relations/financial-reports/. As is permitted with this new standard, prior year information has not been restated and, therefore, may not be comparable. The adoption of this new standard had a significant impact on Strongco's balance sheet, as all of the Company's property leases, which had previously been treated as operating leases, are now recorded on the balance sheet as a right-of-use asset and lease liability. From an income statement perspective, the lease expense under the old leasing standard has now been replaced with a charge for depreciation of the lease asset and imputed interest.

Highlights (Second Quarter 2019 and Second Quarter 2018)

- Income Statement
  - Revenues of $112.7 million, compared to $122.0 million, impacted by the following factors:
    - Lower sales of construction equipment and cranes in Quebec and Atlantic, partially offset by higher sales in Ontario. In Alberta, strong sales of articulated trucks were offset by weaker sales of other construction equipment in the province, while Crane sales were higher.
    - Higher rental revenues, due to increased demand for rentals, primarily in Alberta.
    - Stronger product support revenues (sales of parts and service and warranty) in Eastern and Central Canada.
  - Gross profit of $19.5 million, down slightly from $19.7 million. As a percent of revenue, gross margin rose to 17.3% from 16.1%.
  - Operating income improved to $5.1 million from $3.7 million, due to lower operating expenses and the impact of IFRS 16.
  - EBITDA of $11.1 million, compared to $7.5 million, due to improved operating income and the impact of IFRS 16.
  - Interest expense of $3.4 million, compared to $2.1 million, due mainly to the impact of IFRS 16, combined with higher equipment notes and higher interest rates.
  - Pretax earnings of $1.7 million. Before the adjustments from the adoption of IFRS 16, pretax earnings were $2.2 million, which compared to $1.7 million in the second quarter of 2018.
  - Net income of $1.7 million ($0.13 per share) for the quarter, after $0.5 million of non-cash IFRS 16 expenses, unchanged from the prior year.

- Balance Sheet
  - Equipment inventory of $188.2 million, up from $167.5 million at December 31, 2018 and $151.5 million at June 30, 2018 to support projected sales and increased rental activity.
  - Equipment notes payable of $172.5 million, compared to $141.4 million at December 31, 2018 and $137.6 million at June 30, 2018.

Second Quarter Results Materials
The complete second quarter 2019 MD&A and Unaudited Interim Condensed Consolidated Financial Statements are available on our website at www.strongco.com/en/investor-relations/financial-reports/.

Conference Call Details
Strongco will hold a conference call on Thursday, August 1 at 10:00am ET to discuss second quarter results. Analysts and investors can participate by dialing **1-800-319-4610** or **+1-604- 638-5340** outside of Canada and the USA. Following management's introductory remarks, a question and answer session will take place for analysts and institutional investors.

An archived recording will be available to listeners following the call until midnight on September 1, 2019. To access it, dial 1-855-319-6413 or +1-604-638-9010 outside of Canada and the U.S., and enter passcode 3361#.

About Strongco Corporation
Strongco Corporation is a major multiline mobile equipment dealer with operations across Canada. Strongco sells, rents and services equipment used in diverse sectors such as construction, infrastructure, mining, oil and gas, utilities, municipalities, waste management and forestry. The Company has approximately 500 employees serving customers from 25 branches in Canada. Strongco represents leading equipment manufacturers with globally recognized brands, including Volvo Construction Equipment, Case Construction, Manitowoc Crane, including National and Grove, Terex Trucks, Fassi, Sennebogen, Konecranes and SDLG. Strongco is listed on the Toronto Stock Exchange under the symbol SQP.

Forward-Looking Statements
This news release contains forward-looking statements that involve assumptions and estimates that may not be realized and other risks and uncertainties. These statements relate to future events or future performance and reflect management's current expectations and assumptions which are based on information currently available to the Company's management. The forward-looking statements include but are not limited to: (i) the ability of the Company to meet contractual obligations through cash flow generated from operations, (ii) the expectation that customer support revenues will grow following the warranty period on new machine sales and (iii) the outlook for 2019. There is significant risk that forward-looking statements will not prove to be accurate. These statements are based on a number of assumptions, including, but not limited to, continued demand for Strongco's products and services. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward looking statements. The inclusion of this information should not be regarded as a representation of the Company or any other person that the anticipated results will be achieved and investors are cautioned not to place undue reliance on such information. These forward-looking statements are made as of the date of this MD&A, or as otherwise stated, and the Company does not assume any obligation to update or revise them to reflect new events or circumstances.

Additional information, including the Company's Annual Information Form, may be found on SEDAR at www.sedar.com.

Footnotes
* "EBITDA" refers to earnings before interest, income taxes, amortization of property, plant and equipment, amortization of equipment inventory on rent and lease termination costs. EBITDA is presented as a measure used by many investors to compare issuers on the basis of ability to generate cash flow from operations.

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