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TSX Symbol: SQP **For Immediate Release**

Strongco Announces Third Quarter 2016 Results

Streamlining continues; challenging markets persist

Mississauga, Ontario – November 2, 2016 – Strongco Corporation (TSX: SQP) today reported financial results for the third quarter ended September 30, 2016.

Financial Summary

($ millions except percentages and per share amounts)

Period Ended September 30	Three Months		Nine Months	
	2016	2015	2016	2015
Revenues	**86.7**	87.3	**280.1**	283.6
Gross Profit	**15.4**	16.5	**45.1**	51.6
Gross Margin (%)	**17.8**	18.9	**16.1**	18.2
Operating Income (Loss) Before Restructuring Costs and Intangible Impairment	**(0.9)**	(1.5)	**(3.3)**	1.7
Restructuring Costs	**(0.3)**	-	**(3.2)**	-
Intangible Impairment	**(16.5)**	-	**(16.5)**	-
EBITDA*	**3.1**	4.1	**6.0**	16.6
Pretax Loss	**(19.0)**	(3.4)	**(27.4)**	(4.8)
Net Loss from Continuing Operations	**(26.1)**	(2.5)	**(32.3)**	(3.5)
Basic and Diluted Loss Per Share from Continuing Operations	**(1.97)**	(0.19)	**(2.44)**	(0.26)
Equipment Inventory – Continuing Operations			**146.3**	213.1
Equipment Notes Payable – Continuing Operations			**127.9**	172.0

"2016 is a year of transition for Strongco; a time to refocus, simplify and streamline the business to be better positioned to generate sustainable performance," said Robert Beutel, Executive Chairman of Strongco. "Reduced cash expenses, equipment inventories, and the associated notes payable, continue to move in a more positive direction. In the quarter, Management took an impairment charge against its SAP computer system, recorded an additional restructuring provision for further headcount reductions, sold its U.S. subsidiary, Chadwick-BaRoss, for a small gain, and booked a valuation allowance against deferred tax assets, all in an effort to bring additional stability to our operations – and the balance sheet. With ongoing, weak market conditions expected to continue to impact cash flow, we believe the actions taken in the near term will help to deliver better value over the long term."

Activities During the Quarter (Third Quarter 2016 and Third Quarter 2015)

- Sale of U.S. subsidiary, Chadwick BaRoss completed
  - During the quarter, Strongco completed the sale of its U.S. subsidiary, Chadwick-BaRoss Inc. for gross proceeds of US$12.4 million, resulting in a small gain on sale of $0.2 million before tax. Approximately US$1.2 million of the proceeds was deposited in escrow for a period of 18 months to cover potential claims under the reps and warranties. After settlement of intercompany balances and expenses, net cash of approximately $9.3 million was provided by this sale.

The discussion and comments that follow throughout this release reflect the results of Strongco Corporation excluding Chadwick-BaRoss Inc.

- Non-cash impairment charge against intangible asset and additional restructuring provision recorded
  - During the quarter, Strongco recorded a non-cash impairment charge of $16.5 million against the value of the intangible asset related to the SAP computer system.
    Under IFRS, where there are indicators of impairment, an entity must test its assets for impairment. With the total value of the Company's shares currently trading below the book value of its assets and recent history of operating losses, Management determined the value intangible asset was fully impaired and wrote down the book value of the computer system to zero. Strongco continues to operate and benefit from its SAP computer system, which was developed over the last three years and went live in 2015.

  - A restructuring cost provision of $0.3 million was taken in the quarter, and $3.2 million for the nine months for severance and other termination costs of certain employees, terminated in response to ongoing weak economic conditions, particularly in Alberta. As of September 30, 2016, Strongco's headcount has been reduced by 85 employees from the same time last year, with an expected annualized savings of $8.0 million.

- Challenging markets persist, with lower revenues in Alberta partially offset by stronger sales in Quebec
  - Revenues of $86.7 million, down from $87.3 million. For the nine months, revenues of $280.1 million, compared to $283.6 million.

  - Total equipment sales were $55.3 million, up 4% from $53.1 million. For the nine months, total equipment sales were $188.3 million up 3% from $183.7 million. Higher sales in Quebec, led by strong crane sales in the first half of the year, partially offset lower sales in Alberta.

  - Gross profit of $15.4 million (17.8% of sales) compared to $16.5 million (18.9% of sales). For the nine months, gross profit of $45.1 million (16.1% of sales), down from $51.6 million (18.2% of sales).

  - Operating loss of $0.9 million compared to an operating loss of $1.5 million. For the nine months, operating loss of $3.3 million, down from an operating income of $1.7 million.

  - Interest expense of $1.4 million, down from $1.9 million. For the nine months, interest expense of $4.4 million, down from $6.5 million.

  - Pretax loss, before impairment of intangible asset and restructuring costs, for the quarter of $2.3 million compared to pretax loss of $3.4 million. For the nine months, pretax loss, before impairment of intangible asset and restructuring costs, of $7.7 million compared to a pretax loss of $4.8 milion.

- Management records valuation allowance of $7.0 million against deferred tax assets
    - After this provision, net loss from continuing operations was $26.1 million (loss of $1.97 per share) compared to net loss from continuing operations of $2.5 million (loss of $0.19 per share). For the nine months, net loss was $32.3 million (loss of $2.44 per share) compared to a net loss of $3.5 million ($0.26 per share).

- Ongoing reductions in equipment inventory, equipment notes payable and the associated interest expense of continuing operations
    - Equipment inventory of $146.3 million, down from $181.3 million at December 31, 2015 and $213.1 million at September 30, 2015.
    - Equipment notes payable of $127.9 million, down from $156.8 million at December 31, 2015 and $172.0 million at September 30, 2015.

Quarterly Results Materials
The complete third quarter 2016 MD&A and Unaudited Interim Condensed Consolidated Financial Statements are available on our website at www.strongco.com/en/investor-relations/financial-reports/.

Quarterly Conference Call Details
Strongco will hold a conference call on **Thursday, November 3, 2016 at 10:00am ET** to discuss third 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 December 3, 2016. To access it, dial 1-855-669-9658 or +1-604-674-8052 outside of Canada and USA and enter passcode 0851#.

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 535 employees serving customers from 27 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 Cedarapids, 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 2016. 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 from continuing operations before interest, income taxes, amortization of capital assets, amortization of equipment inventory on rent, amortization of rental fleet, and impairment and amortization of intangible asset. EBITDA is presented as a measure used by many investors to compare issuers on the basis of ability to generate cash flow from operations. EBITDA is not a measure of financial performance or earnings recognized under International Financial Reporting Standards ("IFRS") and therefore has no standardized meaning prescribed by IFRS and may not be comparable to similar terms and measures presented by other similar issuers. The Company's management believes that EBITDA is an important supplemental measure in evaluating the Company's performance and in determining whether to invest in Shares. Readers of this information are cautioned that EBITDA should not be construed as an alternative to net income or loss determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing and financing activities as a measure of the Company's liquidity and cash flows.

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