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TSX Symbol: SQP

For Immediate Release

Strongco Announces First Quarter 2019 Results —Solid performance despite softer-than-expected markets across Canada—

Mississauga, Ontario – May 1, 2019– Strongco Corporation (TSX: SQP) today reported financial results for the first quarter ended March 31, 2019.

Financial Summary

(\$ millions except per share amounts)

Period Ended March 31	3 Months	
	2019	2018
Revenues	92.1	89.0
Gross Profit	17.3	17.5
Operating Income	3.8	2.3
EBITDA*	9.5	6.9
Interest Expense	3.6	2.1
Pretax Income	0.2	0.1
Net Income	0.2	0.1
Basic and Diluted Income Per Share	0.01	0.01
Equipment Inventory	170.3	154.2
Equipment Notes Payable	146.6	131.6

“Strongco reported improved year-over-year revenues due mainly to stronger sales of articulated trucks in Alberta in spite of a softer market, which was estimated to be down more than 20% year-over-year. Although the higher proportion of equipment sales resulted in slightly lower margins during the period, operating profit was up, expenses down, and the bottom-line result was positive,” said Robert Beutel, Executive Chairman of Strongco. “As we prepare for prime construction season, we expect the market conditions to rally to a moderate pace of growth. Nonetheless, the first quarter was in line with our overriding goal of stable performance regardless of economic conditions.”

Effective January 1, 2019: Adoption of IFRS 16 Leases

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 first 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 (First Quarter 2019 and First Quarter 2018)

- Income Statement
 - Revenues of \$92.1 million, compared to \$89.0 million, impacted by the following factors:
 - Stronger sales of construction equipment and cranes in Western Canada, led by strong sales of articulated trucks in Alberta
 - Slightly lower rental revenues, due to weaker markets overall
 - Higher product support revenues (sales of parts and service) across the country
 - Gross profit of \$17.3 million (18.8% of revenues), compared to \$17.5 million (19.6% of revenues).
 - Operating income improved to \$3.8 million from \$2.3 million due to lower operating expenses and the impact of IFRS 16.
 - EBITDA of \$9.5 million, compared to \$6.9 million, due to improved operating income and the impact of IFRS 16.
 - Interest expense of \$3.6 million, compared to \$2.1 million, due to the impact of IFRS 16, more equipment inventory and higher interest rates.
 - Earnings before tax of \$0.2 million, (\$0.7 million before IFRS 16), compared to \$0.1 million (not restated for IFRS 16).
 - Net income of \$0.2 million (\$0.01 per share), compared to \$0.1 million (\$0.01 per share).

- Balance Sheet
 - Equipment inventory of \$170.3 million, up from \$167.5 million at December 31, 2018 and \$154.2 million at March 31, 2018. The increase is to support projected sales and increasing rental activity.
 - Equipment notes payable of \$146.6 million, compared to \$141.4 million at December 31, 2018 and \$131.6 million at March 31, 2018.

First Quarter Results Materials

The complete first quarter 2019 MD&A and Audited 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, May 2 at 10:00am ET to discuss first 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 June 2, 2019. To access it, dial 1-855-669-9658 or +1-604-674-8052 outside of Canada and the U.S., and enter passcode 3130#.

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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