WAJAX CORPORATION
News Release

TSX Symbol: WJX

WAJAX ANNOUNCES 2024 SECOND QUARTER RESULTS

Stronger Equipment Sales Contribute to Inventory Reduction as ERP System Implementation Reaches Major Milestone

Toronto, Ontario – August 8, 2024 – Wajax Corporation ("**Wajax**" or the "**Corporation**") today announced its 2024 second quarter results. All monetary amounts are in Canadian dollars unless otherwise noted.

Selected Highlights for the Second Quarter

- Second quarter revenue of $568.3 million and adjusted basic earnings per share of $1.06, down from $586.2 million and $1.26, respectively, in the same quarter of the prior year;
- Second quarter gross profit margin of 20.9%, up from 19.9% in 2023, due to higher margins on engineered repair services ("**ERS**") sales, and a higher proportion of, and higher margins on, product support sales;
- Cash flows generated from operating activities of $35.8 million in the second quarter of 2024 compared with cash flows used in operating activities of $6.0 million in the same quarter of the prior year;
- Second quarter adjusted EBITDA margin of 9.6%, compared to 9.8% in 2023; and
- The competitive new financing program introduced by Hitachi Construction Machinery Americas Inc. ("**HCMA**") effective March 1, 2024, as well as management's focus on reducing inventory levels, resulted in stronger equipment sales and lower inventory in the second quarter of 2024 as compared to the first quarter of 2024.(1)

"Compared to the first quarter of 2024, equipment sales improved by 84% and adjusted basic earnings per share improved by 78%, resulting in improved cash flow and a reduction in inventory and debt levels. Further inventory reductions are expected through the remainder of 2024," said Iggy Domagalski, President and Chief Executive Officer. "The decrease in equipment sales versus the prior year period was primarily the result of the delivery of a large mining shovel in the second quarter of 2023 which did not recur this year. Lower revenue against a strong comparable quarter in 2023 was partially offset by growth in higher margin product support revenue, as well as a solid improvement in gross margin."

He continued, "As an organization, we remain focused on driving further improvements to operating efficiency and, during the quarter, we rolled out the Corporation's new ERP system to a further 57 industrial parts and ERS branch locations, some of which are colocations. We now have a total of 99 branch locations operating on the new ERP system, representing approximately 90% of 2023 annual revenue."

(dollars in millions, except per share data)	Three Months Ended June 30			Six Months Ended June 30		
	2024	2023	**% change**	**2024**	2023	**% change**
CONSOLIDATED RESULTS						
Revenue	**$568.3**	$586.2	**(3.1)%**	**$1,050.6**	$1,102.3	**(4.7)%**
Equipment sales	**$180.4**	$190.4	**(5.2) %**	**$278.5**	$322.6	**(13.7) %**
Product support	**$144.8**	$140.6	**3.0 %**	**$279.2**	$275.4	**1.4 %**
Industrial parts	**$147.2**	$154.9	**(5.0) %**	**$302.0**	$308.2	**(2.0) %**
Engineered repair services (ERS)	**$85.0**	$89.0	**(4.4) %**	**$169.3**	$174.0	**(2.7) %**
Equipment rental	**$10.9**	$11.4	**(4.8) %**	**$21.7**	$22.2	**(2.2) %**
Net earnings	**$20.6**	$29.0	**(28.9)%**	**$35.4**	$46.5	**(24.0)%**
Basic earnings per share(2)	**$0.95**	$1.35	**(29.6)%**	**$1.63**	$2.16	**(24.7)%**
Adjusted net earnings(1)(3)	**$22.9**	$27.1	**(15.4)%**	**$35.8**	$44.9	**(20.4)%**
Adjusted basic earnings per share(1)(2)(3)	**$1.06**	$1.26	**(16.3)%**	**$1.65**	$2.09	**(21.1)%**
Adjusted EBIT(1)	**$39.3**	$42.7	**(8.0)%**	**$64.9**	$71.8	**(9.6)%**
Adjusted EBITDA(1)	**$54.7**	$57.2	**(4.3)%**	**$95.4**	$100.2	**(4.8)%**
Adjusted EBIT margin(1)	***6.9%***	*7.3%*	***(5.1)%***	***6.2%***	*6.5%*	***(5.1)%***
Adjusted EBITDA margin(1)	***9.6%***	*9.8%*	***(1.3)%***	***9.1%***	*9.1%*	***(0.1)%***

Outlook

Wajax continues to see solid fundamentals in certain of the markets it serves, particularly in mining and energy, but has observed reduced activity in industrial and forestry. Management is continuing to monitor end markets and customer purchasing patterns, while being prudent with costs, and maintaining 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 ERP system rollout and additional technology improvements.

Management continues to evaluate options to repay or refinance the Corporation’s $57.0 million in senior unsecured debentures maturing January 15, 2025.

Dividend

The Corporation has declared a dividend of $0.35 per share for the third quarter of 2024, payable on October 2, 2024, to shareholders of record on September 16, 2024.

Second Quarter Highlights

- Revenue in the second quarter of 2024 decreased $17.9 million, or 3.1%, to $568.3 million, from $586.2 million in the second quarter of 2023. Regionally:
    - Revenue in western Canada of $240.4 million decreased 10.8% from the same period in the prior year due primarily to lower construction and forestry equipment sales, and lower mining equipment sales driven largely by the delivery of a large mining shovel in the second quarter of the prior year with no such delivery in the current year.
    - Revenue in central Canada of $96.6 million decreased 6.4% from the same period in the prior year due primarily to lower equipment sales in the construction and forestry category and lower industrial parts sales.
    - Revenue in eastern Canada of $231.3 million increased 8.3% from the same period in the prior year due primarily to higher equipment sales in the construction and forestry category, and higher overall sales in the power systems category, partially offset by lower industrial parts sales.

- Gross profit margin of 20.9% in the second quarter of 2024 increased 100 basis points ("**bps**") compared with gross profit margin of 19.9% in the same period of 2023. The increase was driven primarily by higher margins on ERS sales, and a higher proportion of, and higher margins on, product support sales.(1)

- Selling and administrative expenses as a percentage of revenue increased to 14.4% in the second quarter of 2024 from 12.8% in the same period of 2023. Selling and administrative expenses in the second quarter of 2024 increased $6.8 million compared with the second quarter of 2023. This increase was due primarily to higher personnel costs.(1)

- EBIT decreased $4.7 million, or 11.3%, to $37.2 million in the second quarter of 2024 versus $41.9 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 8.0%, to $39.3 million in the second quarter of 2024 from $42.7 million in the second quarter of 2023, and adjusted EBIT margin decreased to 6.9% in the second quarter of 2024 from 7.3% in the same quarter of 2023.(1)

- The Corporation generated net earnings of $20.6 million, or $0.95 per share, in the second quarter of 2024 versus $29.0 million, or $1.35 per share, in the same period of 2023. The Corporation generated adjusted net earnings of $22.9 million, or $1.06 per share, in the second quarter of 2024 versus $27.1 million, or $1.26 per share, in the same period of 2023. Adjusted net earnings in the second quarter of 2024 excludes non-cash losses on mark to market of derivative instruments of $2.3 million after tax, or $0.11 per share (2023 – gains of $1.9 million after tax, or $0.09 per share).(1)

- Adjusted EBITDA margin decreased to 9.6% in the second quarter of 2024 from 9.8% in the second quarter of 2023.(1)

- Cash flows generated from operating activities amounted to $35.8 million in the second quarter of 2024, compared with cash flows used in operating activities of $6.0 million in the same quarter of the previous year. The increase in cash generated of $41.8 million was mainly attributable to a decrease in inventory of $22.5 million during the quarter compared to an increase of $40.7 million in the same quarter of the prior year, and a decrease in trade and other receivables of $9.0 million during the quarter compared to an increase of $7.9 million in the same quarter of the prior year. These increases in cash generated are offset partially by a decrease in accounts payable and accrued liabilities of $14.1 million during the quarter compared to an increase of $13.0 million in the same period of 2023.

- The Corporation's backlog at June 30, 2024 of $544.9 million decreased $42.2 million, or 7.2%, compared to March 31, 2024 backlog of $587.1 million due primarily to lower construction and forestry, material handling and ERS orders. The Corporation's backlog at June 30, 2024 decreased $6.4 million, or 1.2%, compared to June 30, 2023 backlog of $551.2 million due to lower construction and forestry, material handling, ERS, and industrial parts orders, offset partially by higher mining orders.(1)

- Working capital of $533.3 million at June 30, 2024 decreased $9.6 million from March 31, 2024 due primarily to lower inventory, offset partially by lower accounts payable and accrued liabilities. Working capital efficiency was 26.5%, an increase of 80 bps from March 31, 2024, due to the higher trailing four quarter average working capital and the lower trailing 12-month revenue. Excluding debentures, working capital of $589.9 million at June 30, 2024 decreased $9.4 million from March 31, 2024, and working capital efficiency was 27.8%, an increase of 150 bps from March 31, 2024.(1)

- The Corporation's leverage ratio decreased to 2.17 times at June 30, 2024, compared to 2.20 times at March 31, 2024. The decrease in leverage ratio was due to the lower debt level in the current period. The Corporation's senior secured leverage ratio was 1.80 times at June 30, 2024, compared to 1.85 times at March 31, 2024.(1)

Conference Call Details

Wajax will webcast its Second Quarter Financial Results Conference Call. You are invited to listen to the live webcast on Friday, August 9, 2024 at 2:00 p.m. EDT. To access the webcast, please visit our website **wajax.com**, under "**Investor Relations**", "**Events and Presentations**", "**Q2 2024 Financial Results**" and click on the "Listen to 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 second quarter of 2024 were 21,696,986 (2023 – 21,487,212) and 22,235,115 (2023 – 22,180,341), respectively. Weighted average shares, net of shares held in trust, outstanding for calculation of basic and diluted earnings per share for the six months ended June 30, 2024 were 21,689,613 (2023 - 21,488,163) and 22,231,197 (2023 - 22,170,148), respectively.

(3) Net earnings excluding the following:
    a. after-tax non-cash losses on mark to market of derivative instruments of $2.3 million (2023 – gains of $1.9 million), or basic and diluted loss per share of $0.11 and $0.10, respectively (2023 – $0.09 earnings per share) for the second quarter of 2024.
    b. after-tax non-cash losses on mark to market of derivative instruments of $0.4 million (2023 – gains of $1.6 million), or basic and diluted loss per share of $0.02 (2023 – earnings per share of $0.07) for the six months ended June 30, 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 June 30		**Six months ended June 30**	
	2024	2023	**2024**	2023
Net earnings	**$ 20.6**	$ 29.0	**$ 35.4**	$ 46.5
Non-cash losses (gains) on mark to market of derivative instruments, after tax	**2.3**	(1.9)	**0.4**	(1.6)
Adjusted net earnings	**$ 22.9**	$ 27.1	**$ 35.8**	$ 44.9
Adjusted basic earnings per share[(1)]	**$ 1.06**	$ 1.26	**$ 1.65**	$ 2.09
Adjusted diluted earnings per share[(1)]	**$ 1.03**	$ 1.22	**$ 1.61**	$ 2.03

(1) For the three months ended June 30, 2024, the number of weighted average basic and diluted shares outstanding were 21,696,986 and 22,235,115, respectively (2023 - 21,487,212 and 22,180,341, respectively).
For the six months ended June 30, 2024, the number of weighted average basic and diluted shares outstanding were 21,689,613 and 22,231,197, respectively (2023 - 21,488,163 and 22,170,148, respectively).

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

	Three months ended		**Six months ended**		**Twelve months ended**	
	June 30 2024	June 30 2023	**June 30 2024**	June 30 2023	**June 30 2024**	December 31 2023
EBIT	**$ 37.2**	$ 41.9	**$ 63.9**	$ 71.4	**$ 129.2**	$ 136.7
Depreciation and amortization	**15.4**	14.5	**30.5**	28.4	**60.7**	58.6
EBITDA	**$ 52.6**	$ 56.4	**$ 94.5**	$ 99.9	**$ 189.9**	$ 195.3
EBIT	**$ 37.2**	$ 41.9	**$ 63.9**	$ 71.4	**$ 129.2**	$ 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 losses on mark to market of derivative instruments, excluding interest rate swaps[(2)]	**2.1**	0.8	**1.0**	0.3	**0.7**	—
Change in fair value of contingent consideration[(3)]	**—**	—	—	—	**0.3**	0.3
Adjusted EBIT	**$ 39.3**	$ 42.7	**$ 64.9**	$ 71.8	**$ 132.0**	$ 138.9
Depreciation and amortization	**15.4**	14.5	**30.5**	28.4	**60.7**	58.6
Adjusted EBITDA	**$ 54.7**	$ 57.2	**$ 95.4**	$ 100.2	**$ 192.7**	$ 197.4
Payment of lease liabilities[(4)]					**(37.0)**	(35.5)
Polyphase acquisition pro-forma EBITDA[(5)]					**—**	3.2
Beta acquisition pro-forma EBITDA[(5)]					**0.4**	1.4
Pro-forma adjusted EBITDA					**$ 156.0**	$ 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:

		June 30 2024		March 31 2024		December 31 2023
(Cash) bank indebtedness	**$**	**(2.8)**	$	(2.0)	$	1.4
Debentures		**56.7**		56.5		56.3
Long-term debt		**280.5**		297.3		267.8
Funded net debt	**$**	**334.4**	$	351.8	$	325.5
Letters of credit		**3.7**		4.1		4.8
Debt	**$**	**338.1**	$	355.9	$	330.3
Pro-forma adjusted EBITDA[1]	**$**	**156.0**	$	161.7	$	166.7
Leverage ratio[2]		**2.17**		2.20		1.98
Senior secured leverage ratio[3]		**1.80**		1.85		1.64

(1) For the twelve months ended June 30, 2024, 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 against the Corporation's 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:

		June 30 2024		March 31 2024		December 31 2023
Shareholders' equity	**$**	**517.4**	$	503.6	$	496.2
Funded net debt		**334.4**		351.8		325.5
Total capital	**$**	**851.7**	$	855.4	$	821.7
Funded net debt to total capital		**39.3%**		41.1%		39.6%

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

		June 30 2024		March 31 2024		December 31 2023
Total current assets	**$**	**1,122.1**	$	1,137.4	$	1,043.6
Total current liabilities		**588.8**		594.6		483.4
Working capital	**$**	**533.3**	$	542.9	$	560.2
Trade and other receivables		**(281.6)**		(290.5)		(309.1)
Inventory		**(724.8)**		(747.4)		(630.9)
Debentures - current		**56.7**		56.5		—
Accounts payable and accrued liabilities		**453.0**		464.7		407.1
Other working capital amounts	**$**	**36.5**	$	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 expectation that we will see further inventory reductions through the remainder of 2024; our belief that solid fundamentals remain in certain of the markets we serve, particularly in mining and energy; our continued monitoring of end markets and customer purchasing patterns, while being prudent with costs; maintaining our focus on the execution of our 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; and our objective of managing our working capital and normal-course capital investment programs within a leverage range of 1.5 – 2.0 times. 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 new 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 MD&A 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 2023 Annual Report, is available under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

For further information, please contact:

Iggy Domagalski, President and Chief Executive Officer
Email: idomagalski@wajax.com

Stuart Auld, Chief Financial Officer
Email: sauld@wajax.com

Telephone #: (905) 212-3300