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Rocky Mountain Dealerships Inc. Launches Five-Year Plan to Increase Revenue and Earnings

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Organic Growth, Acquisitions in the Canadian Prairies and the United States, and Revenue Growth Through Acquisition Synergies Anticipated to Drive Revenues to $1.5 Billion by 2023

CALGARY, Alberta--(BUSINESS WIRE [2])--Rocky Mountain Dealerships Inc. (TSX:RME, and hereinafter "**RME**"), Canada's largest agriculture equipment dealer and the largest Case-IH dealer in North America, today launched its five-year growth plan. Unless otherwise specified, all financial figures are expressed in Canadian dollars.

“We have spent the last five years protecting and strengthening our foundations while our industry contracted, and the last three years integrating the 19 acquisitions that drove our revenues to the billion-dollar level," said Garrett Ganden, President & Chief Executive Officer of RME. "Now that the industry has normalized, and after integrating our previous acquisitions, we are now ready to turn our attention to accretive growth armed with a sound integration framework. But our growth will not just be driven through acquisitions; the strong market of the Canadian Prairies is expected to add $200 million organically through our current geographic footprint and assets.”

RME anticipates that it will grow revenues from $959 million in 2017 to at least $1.5 billion in 2023. It intends to do this through a combination of revenue sources including:

- $200 million in organic growth through RME’s present geographic foot print;
- $200 million in acquired top-line revenue in Canada and the United States (“US”); and
- $100 million in revenue synergies on assets that are acquired through this plan.

While Canadian acquisition efforts will be focused in Saskatchewan, acquisitions of Case New Holland (“CNH”) branded dealers in Alberta and Manitoba should also be expected. US acquisitions will be focused in the Western US in areas with healthy crop receipts, a similar crop and equipment profile to the Canadian Prairies, and a healthy balance between crop and livestock production to balance exposure to any one type of customer.

An acquisition in the US would be transformational and help RME mitigate a number of risks including currency, crop, weather, political, transportation and tariffs through risk diversification. However, to give RME further growth opportunities in the US market, RME seeks to find, retain or assemble a strong management team and back-office to serve as a platform for future growth. As a result, the first US acquisition will be a scope acquisition and RME does not expect to achieve the same synergies as would be expected of subsequent acquisitions.

There are a number of criteria that must be met before entering the US including:

1) Approval from CNH;
2) A well-run operation with a strong management team; and
3) A large enough revenue base (approximately USD $100 million) to serve as a growth platform in the United States.

Growth will be funded from RME’s balance sheet and a mixture of debt and equity. RME anticipates continued stability or modest growth in its dividend through this process.

Investor & Analyst Event

RME will hold an investor and analyst event to launch its five-year growth plan today, Wednesday, May 30th, 2018, at 8:30 a.m. Mountain Time ("MT") (10:30 a.m. Eastern Time ("ET")).

To listen to the live webcast and watch the presentation please use the following link:

http://event.on24.com/wcc/r/1673028-1/CE388F1198197D7CF12D038E0EF5C7AF [3]

Within 24 hours of the event, the webcast will be available for replay at the link above until May 29, 2019.

Those interested in participating in the question and answer portion of the event by phone may do so by calling 1-866-521-4909 (toll free) or (647) 427-2311.

Caution regarding forward-looking statements

This news release contains forward-looking information and statements (collectively, “forward-looking statements”) within the meaning of applicable securities legislation which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RME or industry results, to be materially different from any future results, events, expectations, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements typically contain words or phrases such as “may”, “outlook”, “objective”, “intend”, “estimate”, “anticipate”, “should”, “could”, “would”, “will”, “expect”, “believe”, “plan”, “predict” and other similar terminology suggesting future outcomes or events. Forward-looking statements involve numerous assumptions and should not be read as guarantees of future performance or results. Such statements will not necessarily be accurate indications of whether or not such future performance or results will be achieved. Readers of this news release should not unduly rely on forward-looking statements as a number of factors, many of which are beyond the control of RME, could cause actual performance or results to differ materially from the performance or results discussed in the forward-looking statements.

In particular, forward-looking statements in this news release include, without limitation, statements that imply any future earnings, profitability, economic benefit or other financial results resulting from any future acquisitions; belief regarding the normalization of the industry in which RME operates; any statements regarding RME's ability to grow its revenues and earnings through 2023; RME’s beliefs regarding its expected sources for increased revenue, including statements relating to any organic growth through its present geographic foot print, increased acquired top-line revenue in Canada and the US and increased revenue synergies from any acquired assets; statements implying or discussing future growth or acquisition opportunities in Alberta, Saskatchewan, Manitoba, the US or elsewhere, statements regarding RME’s acquisition criteria for US acquisitions, including any expectations regarding the synergies to be achieved for such an acquisition, the valuation of such an acquisition in comparison to a Canadian dealership; statements regarding the acquisition and retention of a strong management team and back office; statements regarding RME’s anticipated funding of its future growth and the timing thereof; and statements regarding RME’s ability to continue to maintain or grow its dividend.

With respect to the forward-looking statements listed above and contained in this news release, RME has made assumptions regarding, among other things, expectations concerning the performance and growth of RME’s existing dealerships; expectations regarding commodity prices and GDP growth in the markets RME operates in; anticipated expenses, revenue, cash flow and capital expenditures, RME’s ability to complete acquisitions, including the availability of acquisitions that meet RME’s acquisition criteria in both Canada and the US, the approval of CNH for any US acquisition and the expected valuation of a US acquisition; and the successful integration of any acquisitions into RME’s operations and any anticipated synergies resulting thereof.

All forward-looking statements are based on RME’s beliefs and assumptions based on information available at the time the assumption was made. By its nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond RME's control. While the forward-looking statements are based on information and assumptions that RME's management believes to be reasonable, there is significant risk that the forward-looking statements will prove not to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause actual future performance and events to differ materially from that expressed in the forward-looking statements. Accordingly, this news release is subject to the disclaimer and qualified by the additional information regarding the other assumptions and the risks and other factors that may cause actual future performance and events to differ materially from that expressed in the forward-looking statements contained in RME’s MD&A for the quarter ended March 31, 2018, and in RME's Annual Information Form dated March 13, 2018 under the headings "Forward-Looking Statements" and "Risk Factors." Except as required by law, RME disclaims any intention or obligation to update or revise forward-looking statements, and further reserves the right to change, at any time, at its sole discretion, its current practice of updating its guidance and outlooks.

Certain measures set forth in this news release may be considered to be future-oriented financial information or a financial outlook within the meaning of applicable securities legislation. Financial outlook and future-oriented financial information contained in this news release are based on assumptions about future events based on management's assessment of the relevant information currently available. In particular, this news release contains RME’s projected revenue growth as at 2023, which is based on, among other things, the various assumptions as to RME’s increased revenue sources through 2023 as disclosed in this news release; RME's ability to find parties willing to sell their dealership operations at reasonable prices; RME's ability to obtain and/or maintain OEM approval for its acquisitive growth strategy; the products RME sells (and by implication, the products RME's OEMs manufacture) continue to meet the ever-evolving needs of RME's customer base; that demand drivers including, but not limited to, weather, foreign exchange or government regulation will not materially impact customer demand; and that farmer cash receipts and balance sheets remain strong. The future-oriented financial information and financial outlooks contained in this news release have been approved by management as of the date of this news release and is included to provide readers with information regarding RME’s current expectations and plans regarding its future operations. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein may not be appropriate for other purposes and therefore should not be used for purposes other than those for which it is disclosed herein.

About Rocky Mountain Dealerships Inc. (TSX:RME)
RME is Canada's largest agriculture equipment dealer with branches located throughout Alberta, Saskatchewan, and Manitoba. Through its dealer network, RME sells, rents, and leases new and used agriculture equipment and offers product support and finance to its customers.

Additional information about RME is available at www.rockymtn.com [4] and on SEDAR at www.sedar.com [5].

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Contact:

For investor and media inquiries:
RME
Tom McMillan, 403-466-7220
tmcmillan@rockymtn.com [6]

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[6] mailto:tmcmillan@rockymtn.com