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For Immediate Release

Strongco Announces First Quarter 2013 Results

Mississauga, Ontario – May 14, 2013 – Strongco Corporation (TSX: SQP) today reported financial results for the three months ended March 31, 2013.

Summary*

- Total revenues increased by 0.7% to \$97.5 million
- Gross margin of \$18.7 million compared to \$19.4 million
- Operating loss of \$0.1 million compared to earnings of \$2.9 million
- EBITDA of \$6.5 million compared to \$7.8 million
- Net loss of \$2.2 million compared to net income of \$1.1 million
- Loss per share of \$0.16 compared to earnings of \$0.08 per share

* Comparisons are between first quarter 2013 and first quarter 2012

“Our markets took a marked pause in the first quarter of 2013, most significantly, losing momentum in the month of March which saw customers postpone deliveries and delay conversions on Rental Purchase Options,” said Robert Dryburgh, President and Chief Executive Officer. “Compared to the same quarter last year, our overall market declined, particularly in Alberta and Quebec. However, with help from an improved market presence through new branches, Strongco’s revenues were relatively steady in comparison to the first quarter of 2012. While our cost base has increased from last year, the major factor affecting expenses in the quarter were a combination of under-absorption of labour and ancillary costs, and a much lower level of warranty activity. Both of these were adversely affected by weather and economic conditions which curtailed machine use and, consequently, the utilization of our field crews.”

“We remain focused on reducing our level of equipment inventory which has resulted in higher debt and interest costs,” Mr. Dryburgh added. “In conjunction with customer demand and the seasonality of our business we are controlling incoming orders and placing an internal focus on selling older products.”

Financial Highlights

Three-Month Periods Ended March 31 *(unless otherwise noted)*

<i>(\$ millions except per share amounts)</i>	2013	2012
Revenues	\$97.5	\$96.8
Operating income (loss)	\$(0.1)	\$2.9
EBITDA	\$6.5	\$7.8
Earnings (loss) before income taxes	\$(3.0)	\$1.6
Provision for income taxes	\$(0.8)	\$0.5
Net income (loss)	\$(2.2)	\$1.1
Basic and diluted net (loss) income per share	\$(0.16)	\$0.08
Equipment in inventory	\$264.8	\$216.9
Equipment notes payable	\$221.8	\$179.7

First Quarter 2013 Review

Total revenues in the three months ended March 31, 2013 were \$97.5 million, up 0.7% from the first quarter of 2012. Equipment sales decreased by 2% from last year to \$60.6 million; rental revenues were \$6.7 million, up 29% from \$5.2 million; and product support revenues totalled \$30.2 million compared to \$29.6 million from the same period in the prior year.

Gross margin decreased by \$0.7 million to \$18.7 million during the first quarter of 2013. As a percentage of revenue, the overall gross margin was 19.2%, down from 20.0% last year due primarily to a decrease in equipment sales and a lower margin on equipment sales.

Administrative, distribution and selling expenses during the first quarter totalled \$18.9 million compared to \$16.9 million in 2012. Expenses were higher in the first quarter of 2013 due in large part to underabsorption of labour and other related costs of field technicians and a lower level of warranty activity. Incremental operating expenses of new branches and additional employees to support revenue growth also contributed to the higher expense levels.

EBITDA for the first quarter decreased slightly to \$6.5 million from \$7.8 million a year earlier.

Strongco's net loss in the first quarter of 2013 was \$2.2 million (\$0.16 per share), compared to earnings of \$1.1 million (\$0.08 per share) in the first quarter of 2012.

Outlook

"Although we did not see the increase in sales levels that were anticipated for the quarter, our backlog level remains strong and importantly, customer activity has substantially increased in April and May," said Mr. Dryburgh. "The customer hesitancy experienced in the first quarter is diminishing with the late arrival of spring weather conditions. Given the current level of activity combined with modest economic growth projections, we remain optimistic of continuing growth in 2013."

Forecasts continue to project modest economic growth in Canada in 2013, although at a pace of growth lower than in 2012. In the United States, an upturn in the second half remains the expectation. As a result, construction markets are generally expected to remain active, which should result in continued demand for heavy equipment. However, the demand will vary from region to region. While the long-term outlook for Alberta is positive, the high cost of refining oil from bitumen (the oil sand raw material) and high cost of transportation has created an atmosphere of caution regarding the pace of activity in the oil sands and concern that the demand for heavy equipment in the region could soften in the near term. However, quoting activity has shown a marked increase recently following the end of a very long winter in the province.

Demand for heavy equipment in Quebec has declined recently in response to the hold on municipal tenders in Montreal as the Charbonneau Commission investigates corruption in the construction industry. The suspension to all infrastructure spending by the newly elected provincial government and recent pronouncements regarding mining activities in northern Quebec have both impacted construction activity. However, there is growing political pressure to resume spending to repair and replace the seriously deteriorating infrastructure in the province and the Company's quoting activity in Quebec remains strong.

With the recent evidence of recovery in residential housing markets and the increased level of new job creation, economists are also projecting modest economic growth in 2013 in the United States, particularly in the second half of the year. This is a positive indicator for ongoing recovery in construction markets and demand for heavy equipment.

Strongco's sales backlogs and level of RPOs remained strong during the first quarter of 2013, which are positive indicators of continued demand for heavy equipment. While demand for heavy equipment may soften in the near term in certain regions, management remains cautiously optimistic that recent investments in new branches will lead to an increase in revenues in 2013.

Conference Call Details

Strongco will hold a conference call on Wednesday, May 15, 2013 at 10:00 am ET to discuss first quarter results. Analysts and investors can participate by dialing 416-644-3415 or 1-877-974-0445. An archived audio recording will be available until midnight on May 29, 2013. To access it, dial 416-640-1917 and enter passcode 4612277#.

About Strongco Corporation

Strongco Corporation is a major multiline mobile equipment dealer with operations across Canada and in the United States. Strongco sells, rents and services equipment used in sectors such as construction, infrastructure, mining, oil and gas, utilities, municipalities, waste management and forestry. The Company has approximately 690 employees serving customers from 27 branches in Canada and five in the United States, operating under Chadwick-BaRoss. Strongco represents leading equipment manufacturers with globally recognized brands, including Volvo Construction Equipment, Case Construction, The Manitowoc Company, National, Grove, Terex Cedarapids, Terex Finlay, Ponsse, Fassi, Allied Construction, Taylor, ESCO, Dressta, Sennebogen, Jekko, Takeuchi, Link-Belt and Kawasaki. Strongco is listed on the Toronto Stock Exchange under the symbol SQP.

Forward-Looking Statements

This news release contains "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 Strongco or industry results, to be materially different from any future results, events, expectations, performance or achievements expressed or implied by such forward-looking statements. All such forward-looking statements are made pursuant to the "safe harbour" provisions of applicable Canadian securities legislation. Forward-looking statements typically contain words or phrases such as "may", "outlook", "objective", "intend", "estimate", "anticipate", "should", "could", "would", "will", "expect", "believe", "plan" and other similar terminology suggesting future outcomes or events. This news release contains forward-looking statements relating to the expected trading of common shares of Strongco on the TSX, and such statements are based upon the expectations of management.

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