

Intro – COVER SLIDE (1/4)



- Good afternoon everyone,
- I hope you've all enjoyed your conference.
- I'm honored to be the last speaker for this year's event and I think a lot of you will resonate with the subject I will be speaking on today...
- The dealer business.
- At RONA, we feel very strongly about this specific area of our business, which is at the heart of who RONA has been for 85 years, and which we believe is the key to unlock growth in the coming years.

Intro – COVER SLIDE (2/4)



- More specifically, I will address the current challenges our industry is facing and how it's impacting dealers, and the solutions they can leverage to navigate these challenges successfully
- Before we dive into the heart of this subject, let me tell you a little bit more about myself.
- I came to RONA in 2017 with a strong background in politics, finance, and of course communications.
- But I was relatively new to the home improvement sector.

Intro – COVER SLIDE (3/4)



- Over the years, I got to learn firsthand the important and unique role dealers play at RONA, but also in the Canadian home improvement industry.
- So when I was entrusted to lead the dealer division almost two years ago, I was very eager to help grow this key business segment.
- I had a lot of ideas on how we could improve to be better business partners for our dealer network, but first, I wanted to get a better sense of where our dealers stood.
- I visited dealer stores. A lot of them. And I listened.

Intro – COVER SLIDE (4/4)



- I wanted to know where we hit the mark and where we missed it when it came to supporting our dealers' businesses and helping them to thrive and grow.
- Fast forward to today, where I'm standing here to very humbly share with you the insights I gained and how we see the dealer business evolving in the next few years.

Slide change

Intro – SLIDE #2 (1)



- Over the next thirty minutes, I will talk to:
 - The important role that independent stores play in our business landscape and how it has evolved over the past hundred years;
 - The challenges dealers are facing and the unique competitive advantages dealers should leverage to stand out in their market;
 - And where I see the market going in the near future.
- But first, let me address the question that's on everybody's mind: what's happening at RONA right now?
- Following the acquisition of the company by Sycamore Partners last winter, we brought the RONA banner back front and centre and we intend to keep building up this iconic Canadian brand.

Slide change

Intro – SLIDE #3 (1/2)



- That starts by converting our Lowe's stores to our brand-new RONA+ banner.
- So far, 25 stores have already been converted and 7 more are set to convert in November.
- And, breaking news, we announced to our network a few hours ago the next 9 stores that will undergo a conversion from Lowe's to RONA+ in December.
- This means that before the end of the year, more than half of Canada's Lowe's stores will have already been converted to RONA+.

Intro – SLIDE #3 (2/2)



- We have hit the fast forward button on this project, which is a testament to how strongly Sycamore believes in the strength of the RONA name.
- The company is investing time and money in the brand and in our network to deliver results on an ambitious vision for the organization.
- And what's even more important and relevant for today's presentation: our new ownership understands the value and potential of our RONA affiliated dealer network.

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Intro – SLIDE #4 (1/3)



- Following the boom that our sector benefitted from during COVID, we are now facing more challenging times.
- Several economic factors are putting pressure on households and professionals alike and will likely create headwinds for our industry as a whole.
- We believe that the market will experience a consolidation and that it's unlikely that many new stores will be built in the near future.
- As a result, we firmly believe that the growth of our store footprint will be driven by the recruitment of new dealers or the expansion of current dealers' business.

Intro – SLIDE #4 (2/3)



- In light of this, we've put together a solid plan to improve how we serve our dealers, but most importantly to support dealers who want to grow.
 - Whether a dealer wants to grow through acquisitions...
 - Or if a dealer wants to bring the RONA banner in a market where we're not present yet...
 - We will be there to guide and help them.
- Because we firmly believe that working hand in hand with our dealers is the key to promoting a strong and vibrant RONA brand across the country.

Intro – SLIDE #4 (3/3)



- And when I leave here today, I hope I will have provided some valuable insights to help all dealers here today to better position themselves in this unique market.
- But I'm getting ahead of myself. Let's start from the beginning.

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How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #5 (1)



- First, I want us to take a look at how affiliated dealers fit in the Canadian home improvement ecosystem today.

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How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #6 (1/4)



- As local entrepreneurs, dealers have always been very invested in their respective communities.
 - They actively contribute to building thriving local economies across the country, often in more remote areas where big corporate players don't tend to set up shop.
 - They can offer a product selection more tailored to what their customers need and want because they KNOW the particular needs of shoppers in their market – where they very often live themselves.
 - Dealers also tend to be very involved in their communities, supporting charities, sponsoring youth sport or local events.

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #6 (2/4)



- And they often know their customers by name and take pride in building solid relationships with them over the years.
- That's especially true when it comes to connecting with the Pros and fostering loyalty with this key customer segment.
- We all know that, in the wake of the pandemic, if there's one thing that has become increasingly important for Canadians everywhere, it's the desire to support local businesses.

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #6 (3/4)



- COVID acted as a catalyst to prompt people to shop local, making independently owned stores – such as affiliated dealer stores – more appealing to customers.
- This is a major competitive advantage for all dealers out there.
- Proximity is also something that we are noticing becoming more and more important lately.
- People want easy access to the products they need.

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #6 (4/4)



- They don't want to drive 20-30 minutes out of their way to get supplies for their project...
- Especially when they realize mid-project that they need more of a product or that they are missing something essential to complete the project.
- Because they are often closer to where their customers live, dealer stores offer them something very valuable: convenience.

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How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #7 (1/5)



- This is why at RONA we've made the bet to go a step further by making urban stores a key element of our dealer network strategy.
- When we think of a dealer store, we usually picture a building centre with a massive lumber yard that mostly caters to the needs of pros.
- And it's true that we have a lot of those in our network and that these stores are a very important element of our go-to-market strategy.
- But we see a clear need for more urban stores that carry the essentials that homeowners need to maintain and improve their home.

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #7 (2/5)



- Like the name states, the urban store model is designed to be located in an urban setting with the goal of better serving surrounding communities.
- These stores are mostly retail oriented.
- They cater to the needs of homeowners and DIYers, not just those of the Pros.
- They tend to be smaller in size, but big on convenience and, with the added bonus of online shopping, big on choices!

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #7 (3/5)



- In the end, whether they operate building centres or urban stores, dealers offer customers a unique and different experience that is very much aligned with what Canadians want in this post-COVID reality.
- Now I'm by no means saying that corporate stores or even big box stores are a thing of the past...
- Especially not when we are investing massively into our RONA+ big box stores!

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #7 (4/5)



- What I'm saying is that dealer stores, big box stores, wholesalers and specialty boutiques each have a unique value proposition and they should work in tandem to better serve customers.
- By recognizing the specific needs that each of these business formats can meet, we can focus our efforts where it counts and improve how Canadians shop for home improvement...

How Dealers fit in the Canadian Home Improvement Ecosystem – SLIDE #7 (5/5)



- And as I'll explain later, I believe there is a pressing need for our industry to diversify our offering to adapt to a changing market, and urban stores can play a crucial role in where I see the industry going in the next few years.

Slide change

Adapting is the name of the game – SLIDE #8 (1)



- So back to dealers.
- Let's have a look at how their role has evolved over the past hundred years in the face of the many challenges and changes that arose.
- Because things have changed... a lot! And they will keep on changing.
- Adapting has always been the name of the game in retail, but it's especially true for independent retailers because to stay competitive next to big players that have access to more resources, they need to find their niche and get creative.

Slide change

Adapting is the name of the game – SLIDE #9 (1/3)



- And that's exactly how RONA was created 85 years ago.
 - At the time, independent dealers in Québec were struggling to negotiate good prices with suppliers because they didn't buy enough volume.
 - So some of them got the idea to unite and create what would become RONA.
 - By pooling their resources and purchasing power together, they were able to negotiate better prices and become more competitive, while preserving their independence.

Adapting is the name of the game – SLIDE #9 (2/3)



- And although the structure of the company has evolved over the years to include corporate stores of varying sizes, affiliated dealers have always remained a key component of RONA's DNA.
- But adapting and innovating is not a “one and done” check box.
- It's something that must be top of mind every single day to stay ahead of the curve and remain relevant as the market changes.
- 85 years ago, dealers' challenge was to get better prices to remain competitive.

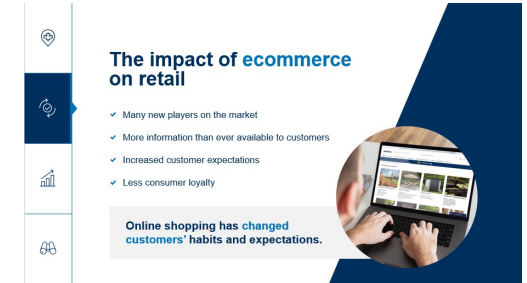
Adapting is the name of the game – SLIDE #9 (3/3)



- 30 years ago, the arrival of Big Box stores once again challenged our industry by bringing a new store model to the retail landscape.
- Smaller stores, including dealer stores, had to redefine their value proposition to compete with these new warehouse-type of retailers.
- Today, new market realities present different challenges to dealers.

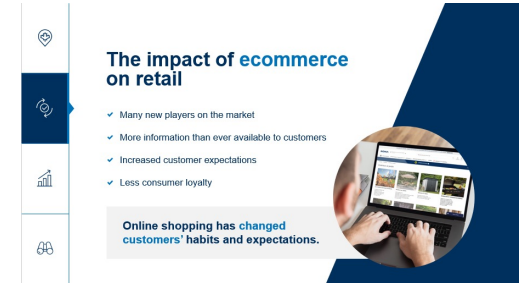
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Adapting is the name of the game – SLIDE #10 (1/5)



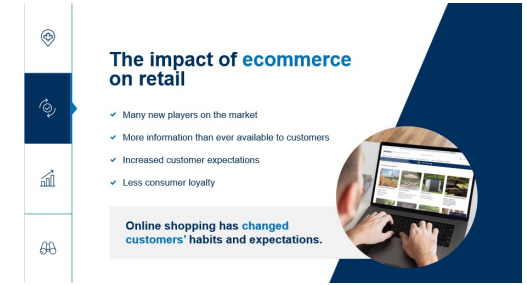
- One of the most important changes to impact how retailers do business today is the arrival of ecommerce.
- This has literally changed the face of retail and presented new opportunities as well as new challenges for dealers.
 - It opened the door for a wide array of new pure players to establish themselves in the Canadian market, competing with long-established brick and mortar retailers.
 - Think of Amazon and Wayfair

Adapting is the name of the game – SLIDE #10 (2/5)



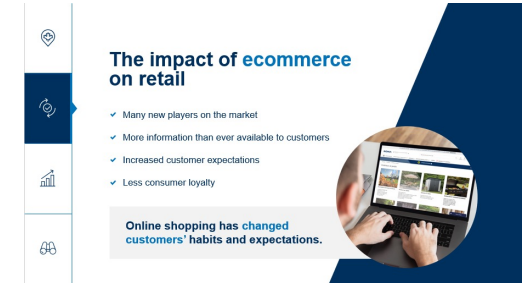
- Or even manufacturers and wholesalers who usually required retailers to access customers and can now sell their products directly online without ever having to open a physical store.
- It has provided shoppers with more information than ever at the tip of their fingers.
 - Although a lot of sales in our industry are still made in store, most people pre-shop online for what they need.
 - The pricing, the extent of the offering and the quality of the information available on a retailers' website is often what will prompt a customer to choose one store over another.

Adapting is the name of the game – SLIDE #10 (3/5)



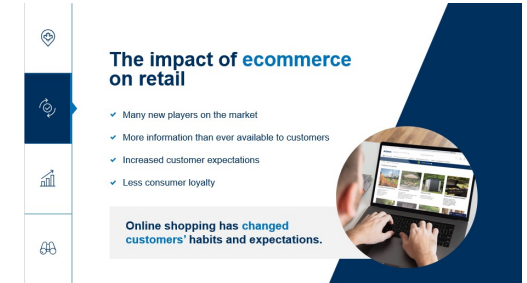
- Online shopping – and let's face it, the pandemic – has also increased customers' expectations tenfold.
 - Because so many stores were closed during many months of the past years, people relied heavily on online shopping.
 - Delivery delays and costs quickly became differentiating factors when choosing where to make purchases.
 - People wanted their orders shipped quickly at low or no cost at all.

Adapting is the name of the game – SLIDE #10 (4/5)



- And while expectations rose, consumer loyalty on the other hand became more volatile.
 - The ease of shopping around to get the best deal, combined with a challenging economic landscape contributed in transforming customer habits.
 - People are more willing to switch stores now if it means getting more.
 - The good thing is that more does not necessarily translate as “cheaper”.

Adapting is the name of the game – SLIDE #10 (5/5)



- Things like convenience, good service, product availability, a seamless experience, and YES, of course, good value and pricing all weigh in the balance when making buying decisions.
- So where does that leave dealers today?

Slide change

Adapting is the name of the game – SLIDE #11 (1/2)



- Although the changing market realities do pose a challenge, I firmly believe that dealers play an essential role in our industry’s landscape and present an incredible growth opportunity.
 - Dealers are local pillars in their communities.
 - They offer the convenience of proximity stores...
 - And now with online shopping, they can also offer the wide range of choices customers are looking for.

Adapting is the name of the game – SLIDE #11 (2/2)



- They are experts dedicated to serving their customers.
- For that reason, they often are trusted partners of local entrepreneurs & DIYers.
- And they are key players in creating thriving local economies.

Slide change

Navigating new challenges and a new market – SLIDE #12 (1/2)



- So knowing that, what challenges are currently affecting dealers and how can they negotiate new market realities to thrive in a difficult economy?
- Following extremely good years for our industry during COVID, we are now seeing market trends return to their pre-pandemic growth path.
- Sales from 2020 and 2021 cannot be the standards against which we measure performance anymore.

Navigating new challenges and a new market – SLIDE #12 (2/2)



- But it's not just the sales volume that is changing at the moment, it's WHO is shopping in our stores.
- Because they are such loyal customers and have such heavy purchase volumes, we as an industry have come to rely heavily on Pros to make our sales and grow our business.
- And that's normal.

Slide change

Navigating new challenges and a new market – SLIDE #13 (1/4)



- But what I'd like to bring to your attention today is the importance of diversifying your offering now to be more appealing to the DIY customers in light of the changing market.
- With interest rates reaching a high that we haven't seen in a very long time and an inflation that doesn't seem to want to slow down, we are noticing a shift in the market that is sure to affect our industry.
- Despite a housing crisis, there are fewer housing starts throughout the country.

Navigating new challenges and a new market – SLIDE #13 (2/4)



- And with urban cities being more and more aware about the need to densify, the projects that are being started are often high-rise buildings, and not single-house dwellings or smaller condo or apartment buildings – which are the projects that our industry usually serves.
- But on the flip side, high interest rates are very much likely to prompt homeowners to renovate their home instead of moving into a newer house.
- And that's why I believe it's so important for us all to focus on diversifying our offer and become more retail focused so that we do not solely depend on Pros to grow our business.

Navigating new challenges and a new market – SLIDE #13 (3/4)



- At least, that's what we are focusing on at RONA and I encourage all our dealers to leverage the many tools and solutions that we offer to make this shift.
- And the good news is that retail offers higher margins than LBM!
- The second good news is that dealers operate in a uniquely strategic position to cater to a post-covid, more retail-oriented market.

Navigating new challenges and a new market – SLIDE #13 (4/4)



- They appeal to customers because they combine the convenience and local character of a proximity store and – thanks to the magic of online – the endless possibilities that bigger players offer.
- One of the key things I encourage dealers to do is to leverage their unique competitive advantages to position themselves as the better choice against big players – both brick & mortar stores and online pure players.

Slide change

Navigating new challenges and a new market – SLIDE #14 (1/2)



- As I've mentioned earlier, proximity is key. Dealers should tap into that.
 - Walkability is an important factor when customers are choosing where to shop for their everyday needs.
 - We are seeing a revival of urban stores that are more retail focused.
 - We often have this idea of dealer stores as massive lumber yards with very little retail offering.
 - That's something we're challenging at RONA. Why not have a retail offering AND maintain your position with Pros?

Navigating new challenges and a new market – SLIDE #14 (2/2)



- We believe dealers in urban spaces would have a lot to gain by being more retail focused.
- Offering customers convenience by giving them easy access to the products they need will help set them apart from the competition.
- The one thing that used to limit the potential of proximity stores was their limited square footage, which reduced the product selection available to customers.

Slide change

Navigating new challenges and a new market – SLIDE #15 (1/5)



- But with ecommerce, that limit is a thing of the past.
- By combining the strength of a local proximity store with a solid online offering, dealers can offer the best of both worlds to customers.
- There are many ways to sell online these days.
 - You can either build your own platform using one of the many reliable services out there.
 - Or partner up with a banner that will provide you with a seamless turnkey solution.

Navigating new challenges and a new market – SLIDE #15 (2/5)



- No matter how you choose to do it, if you're not online yet, you need to work on getting there as soon as possible.
- Recent studies show that consumers tend to prefer store pickups to home deliveries when making online purchases for many reasons:
 - Many like to be able to see a product before taking it home.
 - And in our industry, being able to receive installation advice or tips on how to use a specific product could also greatly influence customers to choose store pickups over home deliveries.

Navigating new challenges and a new market – SLIDE #15 (3/5)



- Customers also appreciate the convenience of having their orders ready when arriving at the store, while avoiding shipping costs.
- And last, but not least, ease of return is also an important factor.
 - Most people will prefer returning a product in a physical store to avoid the hassle of mail returns.

Navigating new challenges and a new market – SLIDE #15 (4/5)



- That means that dealers who have a good online offering and the option to pick up (and return) orders in store could deter customers from turning to their competitors who either don't offer online shopping or don't have a local brick & mortar store.
 - In fact according to Invesp , studies show that 50% of respondents decided where to shop online based on whether or not they could pick up in store.
- And that's not the only benefit of offering a buy online pick up in store solution for customers.

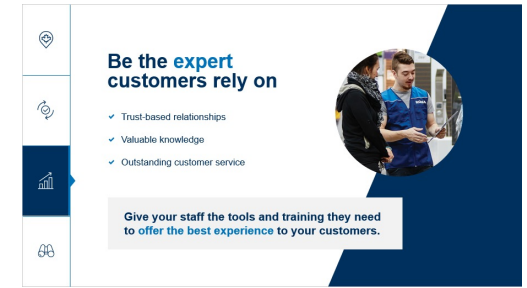
Navigating new challenges and a new market – SLIDE #15 (5/5)



- Studies show that almost 50% of shoppers will make additional purchases in a store when picking up an order.
- I'd say that percentage could be even higher if customers seek out expert advice from the store's staff, who may recommend complementary products required to complete a project.

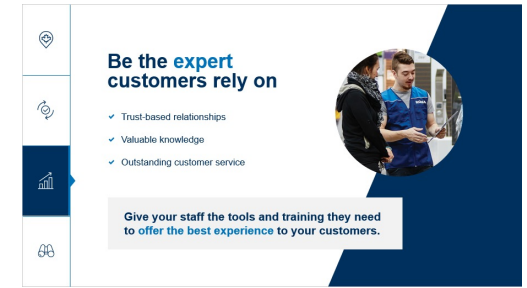
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Navigating new challenges and a new market – SLIDE #16 (1/4)



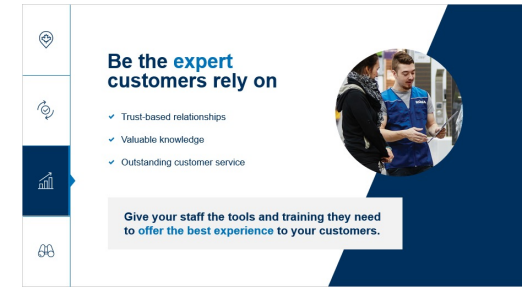
- This leads me to the next competitive advantage dealers should lean into to foster customer loyalty.
- That is: to become the expert customers can rely on.
- We have the chance to operate in an industry where our store staff plays an important role in customers' shopping journey and we should all use that to build trusting relationships with our customers and foster loyalty.
- I can't emphasize enough the importance of training your staff to support that top notch experience you want to give your customers.

Navigating new challenges and a new market – SLIDE #16 (2/4)



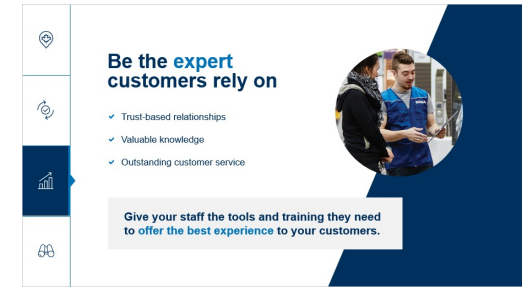
- Provide them with the knowledge they need to sell the products you carry.
 - I'll touch on this a bit later, but vendors will be your best partners in doing this.
 - They know their products better than anybody and will usually be more than happy to provide you with everything you need to train your staff because it will mean better sales for them.

Navigating new challenges and a new market – SLIDE #16 (3/4)



- And focus on customer service.
 - Give your staff the tools and training they need to offer the best experience to your customers.
 - Teach them how to sell the whole project.
 - And by that I mean, offering complementary products to make sure customers leave your store with everything they need to carry out their projects.

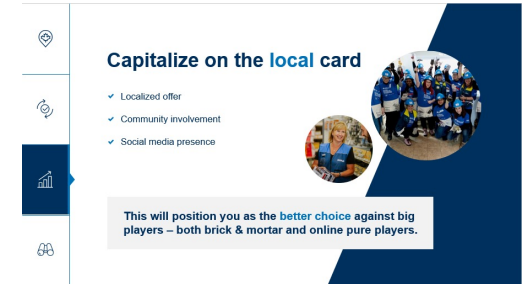
Navigating new challenges and a new market – SLIDE #16 (4/4)



- Big online players can't offer that kind of experience.
- And in our industry, offering expert advice and supporting customers throughout a project is something that can make all the difference in the world for a purchasing decision.
 - That goes for a one-time purchase for a small décor project as well as a larger renovation project that will require multiple store visits.

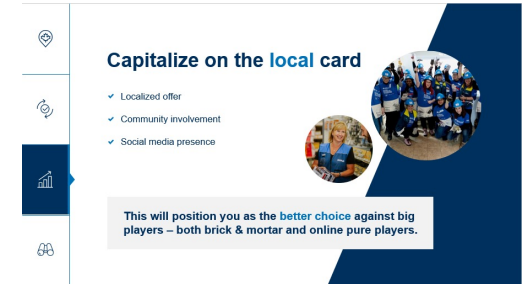
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Navigating new challenges and a new market – SLIDE #17 (1/5)



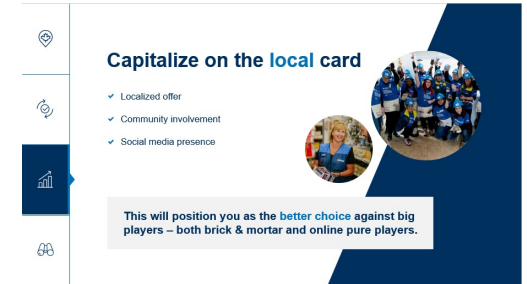
- Another key to fostering customer loyalty is to capitalize on that “local card”.
 - Give customers access to a localized offer that can’t be found in other markets and that meet the unique needs of your local clientele.
 - Let people know the role you play in building a thriving local economy.
 - Take part in local business contests or get involved in your local chamber of commerce for example.

Navigating new challenges and a new market – SLIDE #17 (2/5)



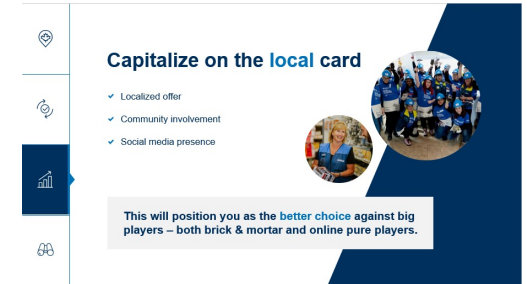
- Being involved in the community is also something that really strikes a chord with local customers.
 - This is something that most of you do already.
 - I've never met a dealer who did not think it important to give back to the community.
 - But I encourage you to be vocal about it.
 - Let people know the causes you support.

Navigating new challenges and a new market – SLIDE #17 (3/5)



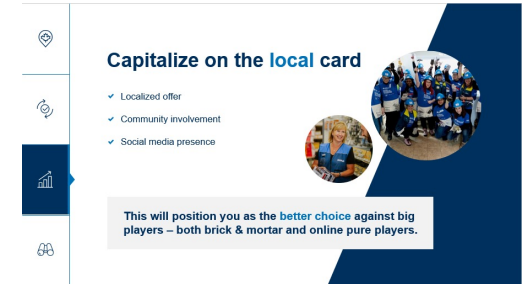
- It differentiates local businesses from big, faceless players like Amazon and it fosters loyalty because people know that the money invested in the store is money invested in the community.
- At RONA, this is something that is so important to us.
- In fact, we've recently redefined the mission of the RONA Foundation, which celebrates its 25th anniversary this year, so that it would be better aligned with what we do as a business and would better meet the needs of Canadians in the current housing crisis.

Navigating new challenges and a new market – SLIDE #17 (4/5)



- And in line with that, we've launched two new programs to support communities across the countries, which are supported by fundraising activities in store.
- We always encourage our dealers to take part in these.
- They gain incredible visibility from the media activities we orchestrate around these campaigns and they always get a lot of customer love for being involved.

Navigating new challenges and a new market – SLIDE #17 (5/5)



- So I would advise all dealers to have a sustained presence on social media to share what they do for the community and the local economy.
 - Create a dialogue with your community by inviting them in your world.
 - They will be your best advocates.

Slide change

Navigating new challenges and a new market – SLIDE #18 (1/5)



- And finally, another important advice I'd like to give not only to dealers, but to every single one of you here, would be to focus on creating valuable partnerships with one another.
- Our industry as a whole, and our individual businesses, would stand to gain from us working together.
- It might be cliché, but we really are stronger together.
- Dealers, if you haven't already done so, join a banner or a buying group you trust and whose values align with yours.

Navigating new challenges and a new market – SLIDE #18 (2/5)



- There is power in numbers as we've seen at the beginning of this presentation.
 - It was true 85 years ago and it's still true today: having the support of a solid partner and the purchasing power of a group will help you reach your goals.
- Partnering with a strong brand could also allow you to leverage the power that brand has with consumers so you can benefit from its strong reputation and marketing.
- You will also gain peer and business insights to help you make better business decisions.

Navigating new challenges and a new market – SLIDE #18 (3/5)



- Vendors, don't just work with head office merchandising teams: prioritize supporting dealers on the field.
 - This for me is an imperative and it is high up there in my expectations for RONA vendors.
 - Dealers represent an immense growth potential, but they have limited resources.
 - By supporting them with merchandising or product knowledge training, you will make them better advocates for your products and will see an immediate impact on your sales.

Navigating new challenges and a new market – SLIDE #18 (4/5)



- Also, get your products to stand out in stores by partnering with programs that can bring added visibility to your products.
 - At RONA, we are a founding partner of the Well Made Here Program, a program that supports products made in Canada by making it easier for customers to spot them in stores.
 - I've talked about it before, but the COVID-19 pandemic really brought to light the fragility of international supply chains and the importance of being able to rely on local vendor partners.

Navigating new challenges and a new market – SLIDE #18 (5/5)



- It prompted Canadians everywhere to prioritize buying local.
- I encourage you to capitalize on that and take every opportunity to showcase that your products are made in Canada.
- This is where the Well Made Here Program presents an added value and truly is a partner of success for vendors.

Slide change

Preparing for what's next – SLIDE #19 (1/3)



- Now that we've talked about the challenges our sector is currently facing, I'd like to look to the future and talk about where I see the market going.
- Because I believe a big shift is preparing and I feel it's important – especially for dealers – to be ready for it.
- And this big shift is the result of a challenge we've been hearing a lot about in our industry over the past years: that is the challenge of succession.

Preparing for what's next – SLIDE #19 (2/3)



- I hear it from our RONA dealers and I know it's a reality that many if not most of independent dealers are living with: passing down your business to your children is no longer the obvious route it used to be.
- More and more dealers are faced with the reality of having to leave their company with people outside their family.
- And because many of these dealer businesses have a high value, finding someone who can afford to buy their company can turn into a headache for many dealers.

Preparing for what's next – SLIDE

#19 (3/3)



- What we've been observing is that, more often than not, dealer stores who are sold outside of the family are purchased by competitors looking to expand their market share.
- This phenomenon is not something new, but it's become much more frequent recently and we don't believe it will slow down, on the contrary.

Slide change

Preparing for what's next – SLIDE #20 (1/6)



- I think we need to prepare for a serious market consolidation in the years to come.
- So much so that my team and I have been working on a plan to support RONA dealers through this change we anticipate and it's become an integral part of our dealer strategy.
- We of course know who in our network is looking to acquire new stores and who is looking to sell.
- But, thanks to our amazing business development team, we also know who is looking to sell outside of our own network.

Preparing for what's next – SLIDE #20 (2/6)



The graphic features a vertical sidebar on the left with four icons: a location pin, a magnifying glass, a bar chart, and a refresh symbol. The main content area is titled "Market consolidation" and includes three bullet points: "Succession has become a challenge", "We're anticipating a consolidation in the near future", and "Consolidations help dealers navigate more difficult market conditions". A circular inset photo shows two men in business attire. A blue box at the bottom right contains the text: "Consolidation operations lead to growth and increased profitability."

- And because we have been so diligent in our analysis of the Canadian market over the years, we have the insights to support RONA dealers in their expansion goals.
- We've separated the country in 550 markets and know exactly who the customers are in each of these markets and what types of stores these markets can support.
- So our goal is to get invested with our dealers and become facilitators for consolidation transactions.

Preparing for what's next – SLIDE #20 (3/6)



- We want to be THE BEST partner out there to help dealers increase their market shares through consolidation.
- We are THAT convinced that this shift is coming and we are ready for it.
- Because consolidations are not just a great way to face succession issues.
- We believe they can also help dealers navigate more difficult market conditions, such as those we are experiencing now by:

Preparing for what's next – SLIDE #20 (4/6)



The graphic features a dark blue background with a white sidebar on the left containing four icons: a location pin, a magnifying glass, a bar chart, and a refresh symbol. The main content area is white with a blue header 'Market consolidation'. Below the header are three bullet points with checkmarks, a circular photo of two men in business attire, and a blue box with white text.

Market consolidation

- ✓ Succession has become a challenge
- ✓ We're anticipating a consolidation in the near future
- ✓ Consolidations help dealers navigate more difficult market conditions

Consolidation operations lead to growth and increased profitability.

- Leveraging their fixed costs to extract more value;
 - Gaining synergies;
 - Accessing discounts through higher purchasing volumes
 - Gaining efficiencies
 - And much more.
- Add to that the state of the market as it stands today, and I don't anticipate that many new stores will be built in the years to come.

Preparing for what's next – SLIDE #20 (5/6)



- I am firmly convinced that growth and increased profitability will result from consolidation operations.
- So I urge you all to keep that in mind in your strategic planning and look at the opportunities you can seize if growth is what you're after.
- This is a challenging economy to navigate, and every sector is working hard to capture its share of Canadians' disposable income which, with the inflation, is decreasing more and more every day.

Preparing for what's next – SLIDE #20 (6/6)



Market consolidation

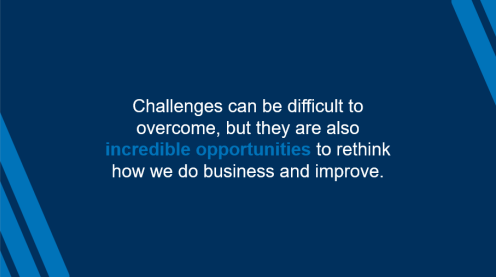
- ✓ Succession has become a challenge
- ✓ We're anticipating a consolidation in the near future
- ✓ Consolidations help dealers navigate more difficult market conditions

Consolidation operations lead to growth and increased profitability.

- But I hope I gave you some food for thought today on how you can leverage your strengths as dealers to come out on top.

Slide change

Conclusion – SLIDE #21 (1/2)



Challenges can be difficult to overcome, but they are also incredible opportunities to rethink how we do business and improve.

- Challenges can be difficult to overcome, yes, but they are also incredible opportunities to rethink how we do business and improve.
- I for one am excited about what the future holds for our industry and am eager to help RONA dealers across the country thrive in this changing market.
- People will always want a safe and comfortable place to live.

Conclusion – SLIDE #21 (2/2)

Challenges can be difficult to overcome, but they are also **incredible opportunities** to rethink how we do business and improve.

- We just have to adapt to what this means to them and how they want to achieve this as their needs evolve.
- I thank you for your time and I wish you all a safe journey home.

Slide change

Thank you!