

2015





ROBERT CHEVRIER

EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS



RONA

FOUR MOTIONS TO SHAREHOLDERS

- 1) Election of Directors
- 2) Appointment of the Auditor
- 3) Adoption of a resolution to approve new share option plan for designated employees of RONA inc. and its subsidiaries
- 4) Adoption of an advisory resolution on executive compensation





OPENING REMARKS

- Quorum
- Scrutineer's Report

FORWARD-LOOKING INFORMATION

Statements included in the presentations made at this meeting may include “forward-looking statements” that involve risks and uncertainties. All statements other than statements of historical facts, including, without limitation, statements regarding the prospects of the industry and prospects, plans, financial position and business strategy of the Corporation, may constitute forward-looking statements within the meaning of the Canadian securities legislation and regulations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “foresee,” “believe” or “continue” or the negatives of these terms or variations of them or similar terminology. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the Corporation’s business. For example, they do not include the effect of dispositions, acquisitions, other business transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

Forward-looking statements are provided for the purposes of assisting the reader in understanding the Corporation’s financial position and results of operations as at and for, the periods ended on certain dates and to present information about management’s current expectations and plans relating to the future and the reader is cautioned that such statements may not be appropriate for other purposes. Investors and others are cautioned that undue reliance should not be placed on any forward-looking statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. For more information on the risks and uncertainties that could cause the Corporation’s actual results to differ materially from current expectations, and about material factors or assumptions applied in making forward-looking statements, please also refer to the Corporation’s public filings available at www.sedar.com and at www.rona.ca. In particular, further details and descriptions of these and other factors are disclosed in the “Risk Factors” section of the Corporation’s last Annual Information Form. The forward-looking statements included in the presentations made at this meeting reflect the Corporation’s expectations as of today, and are subject to change after this date. The Corporation expressly disclaims any obligation or intention to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by the applicable securities laws.





OPENING REMARKS

RECEIPT OF FINANCIAL STATEMENTS AND AUDITOR'S REPORT

ELECTION OF DIRECTORS

WORK DONE BY BOARD OF DIRECTORS

- **Nine meetings**
- **22 meetings by the three Board Committees**
 - Audit Committee
 - Nominating and Governance Committee
 - Human Resources and Compensation Committee
- **Three meetings of the Ad Hoc Committee**





ELECTION OF DIRECTORS



12 DIRECTORS PROPOSED





RONA

JEAN-RENÉ HALDE



RONA

SUZANNE BLANCHET



RONA

RÉAL BRUNET



RONA

ÉRIC CLAUS



RONA

BERNARD DORVAL



RONA

GUY G. DUFRESNE



RONA

JEAN-RENÉ HALDE





RONA

JAMES PANTELIDIS



RONA

ROBERT PARÉ



RONA

STEVEN P. RICHARDSON



RONA

ROBERT SAWYER



RONA

ROBERT CHEVRIER

ELECTION OF DIRECTORS

SUZANNE BLANCHET

RÉAL BRUNET

ROBERT CHEVRIER

ERIC CLAUS

BERNARD DORVAL

GUY G. DUFRESNE

JEAN-RENÉ HALDE

DENISE MARTIN

JAMES PANTELIDIS

ROBERT PARÉ

STEVEN P. RICHARDSON

ROBERT SAWYER





ELECTION OF THE AUDITOR



RAYMOND CHABOT GRANT
THORNTON





ADOPTION OF A RESOLUTION TO APPROVE NEW SHARE OPTION PLAN FOR DESIGNATED EMPLOYEES OF RONA INC. AND ITS SUBSIDIARIES



ADOPTION OF AN ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

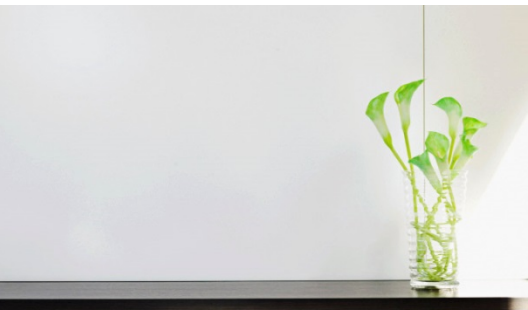


ROBERT SAWYER

PRESIDENT AND CHIEF EXECUTIVE OFFICER



RONA



-
- THANKS TO ALL **EMPLOYEES** FOR THEIR **HARD WORK** AND **DEDICATION**
 - THANKS TO **SENIOR MANAGEMENT**, WHO HAVE MADE IT POSSIBLE TO **DELIVER THE RESULTS** ANNOUNCED THIS MORNING



2014: RONA'S TURNAROUND

Reduction of **\$80 million** of expenses coming from restructuring plan

Retail same-store sales: **↑ 1.1%**

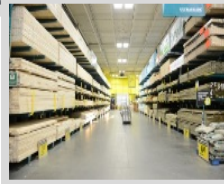
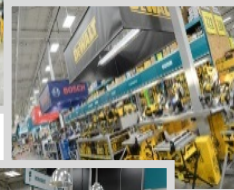
Adjusted EBITDA: **↑ 27.0%**

Adjusted net income: **↑ \$33.4 million**



PRIORITIES FOR 2014

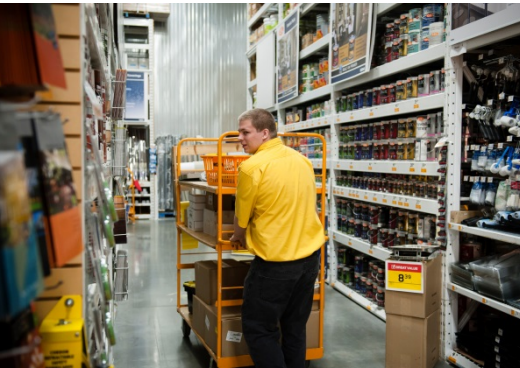
- Grow sales and profitability
- Transform and reposition Réno-Dépôt and integrate the TOTEM banner



PRIORITIES FOR 2014

- Network of over 500 corporate, franchise and independent affiliate stores





A LOOK AT 2014

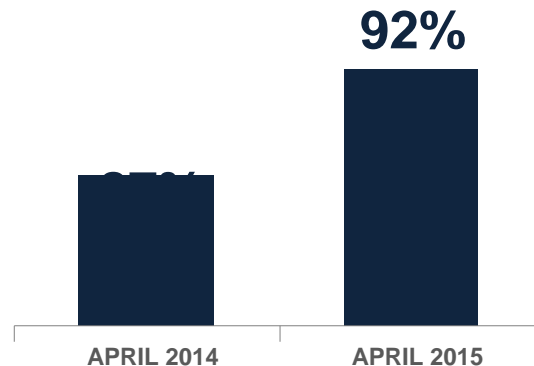
“CUSTOMER EXPERIENCE”

PROJECT

New approach to better serve customers, meet their needs and increase loyalty.

SATISFACTION RATE*

(YEAR OVER YEAR)



* Source: RONA Opinion Poll





A LOOK AT 2014

RÉNO-DÉPÔT

- Successfully completed the transformation and repositioning of the 16 stores
- Transactions and sales up since completion of renovation (June 2014)

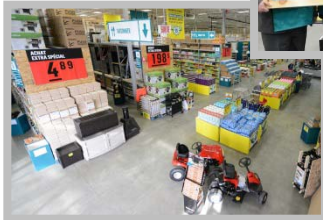
RÉNO  **DÉPÔT**®



2015 OPENINGS

RÉNO-DÉPÔT / RENO-DEPOT

DRUMMONDVILLE, QUÉBEC



AURORA, ONTARIO



CALGARY, ALBERTA



A LOOK AT 2014

NEW PRODUCT CATEGORIES

AUTOMOTIVE



PETS



KITCHEN



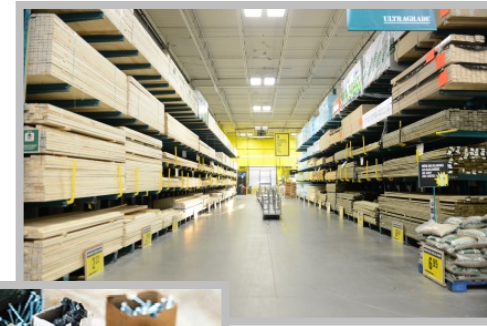
CONSUMABLES



A LOOK AT 2014

NEW PROGRAMS

- Over \$8 million invested in the “Building materials” program in 2015
- Over \$4 million invested in the “Hardware” program in 2015
- Incentive program to increase contractor loyalty, primarily in Ontario and Western Canada





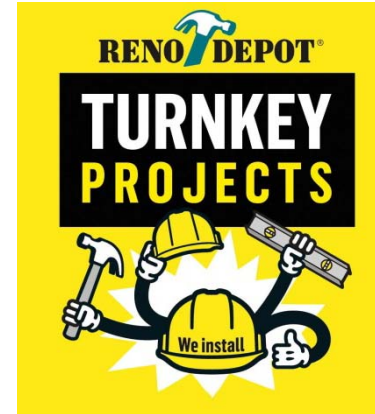
A LOOK AT 2014

INSTALLATION SERVICES



RONA
INSTALLATION
SERVICE

LET US DO THE WORK FOR YOU





A LOOK AT 2014

ACE

- Acquired master license for all of Canada
- Improve our offering to dealer-owners
- Leverage our distribution infrastructure
- Strengthen our portfolio of banners





A LOOK AT 2014

MARCIL

MATÉRIAUX ET RÉNOVATION





A LOOK AT 2014

- Opened a distribution centre in St-Hyacinthe
- Continued the activities of the various working committees involving owner-dealers
- Set up a team tasked with planning our development



PRIORITIES FOR 2015

- To remain the Canadian leader, we must be, now more than ever:
 - **rigorous**
 - **disciplined**
 - **innovators**
- Growth and expansion mode





PRIORITIES FOR 2015

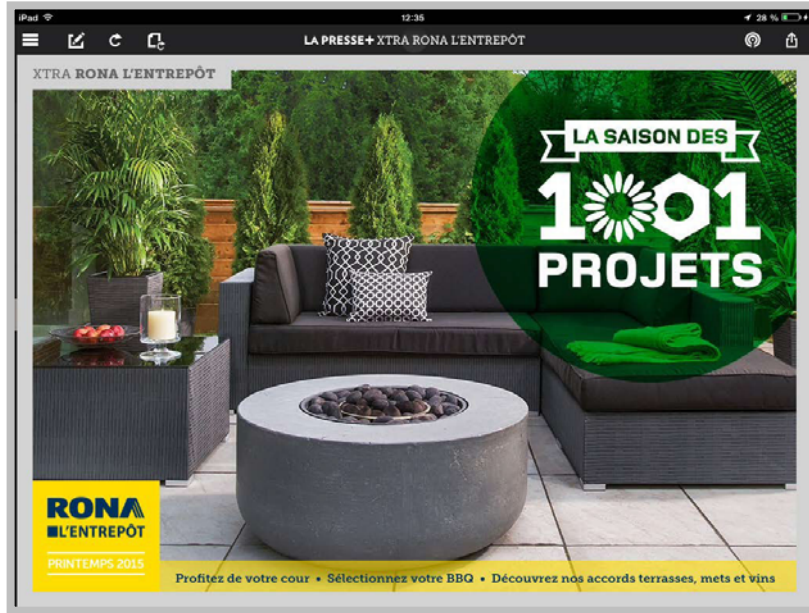
STORE OPENINGS

- 17th Réno-Dépôt in Drummondville
- Two Reno-Depot stores outside Québec
- RONA proximity store in Halifax
- By the end of 2015, two more stores to open, for a total of six

A FIRST SINCE 2008

PRIORITIES FOR 2015

ACCELERATE DIGITAL SHIFT



Reach consumers who “pre-shop” online



CONTEST

1 SEASON

1001

PROJECTS

UNTIL JUNE 14, 2015

[DETAILS PAGE >](#)

TO WIN:

1 OF 5

\$2000

RONA GIFT CARDS

Enter online at [RONA.CA/CONTEST](#)



AS FORTH OF 2015

150

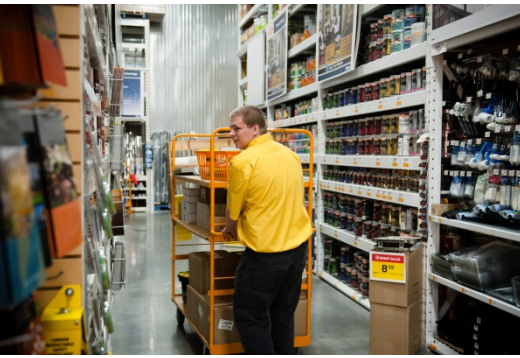
BONUS AIR MILES

PER WARD MILES



[AIR MILES 150 MEGA MILES EVENT](#)
[Mega Miles Event](#)

- Increase frequency of flyers
- Dispose of non-strategic assets



2015 IN SUMMARY

- Generate higher sales and increase profitability
- Improve “Ready for Business” and the customer’s online and in-store experience
- Consolidate Réno-Dépôt
- Redefine concept for RONA and RONA L’ENTREPÔT banners





FIRST QUARTER RESULTS

- Solid growth in same-store sales throughout the retail network for a third consecutive quarter
- Increase of 5.0% from:
 - Merchandising strategies
 - Repositioning our banners
 - Initiatives aimed at meeting the needs of different customer groups



FIRST QUARTER RESULTS

- Significant increase in sales in Western Canada
- Performance of Réno-Dépôt in Québec
- Teams on the lookout for opportunities

WE NEED TO BE **ALERT**
AND **INNOVATIVE**





CONCLUSION

THE CORPORATION IS IN **GOOD FINANCIAL HEALTH**, WITH A **SOLID BALANCE SHEET**, AND GROWING **PROFITABILITY**.



DOMINIQUE BOIES

EXECUTIVE VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER

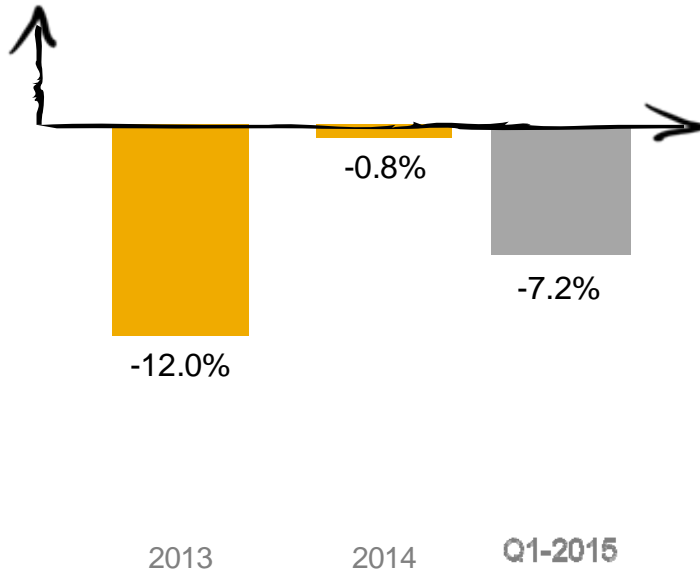


RONA

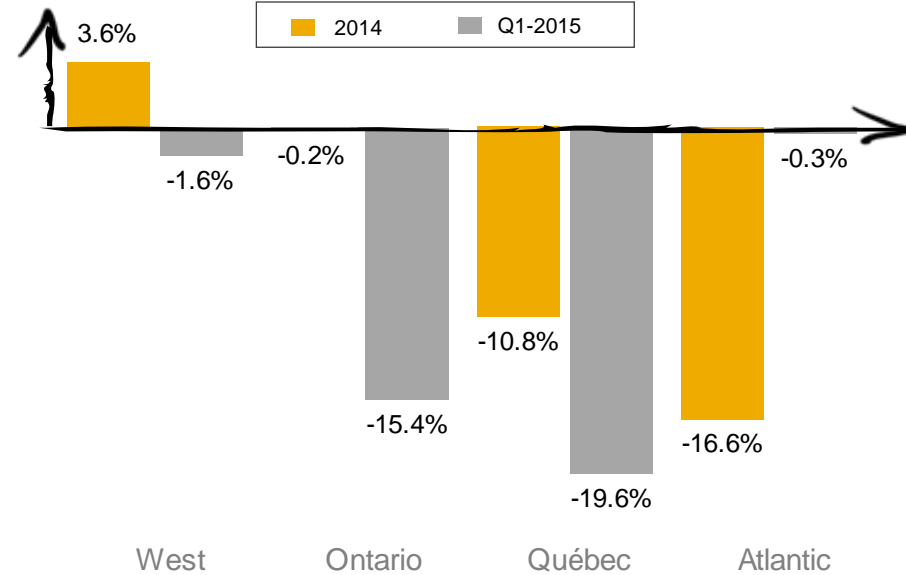
BUSINESS CONTEXT

HOUSING STARTS IN CANADA

VARIATION – SINGLE-FAMILY (UNITS)



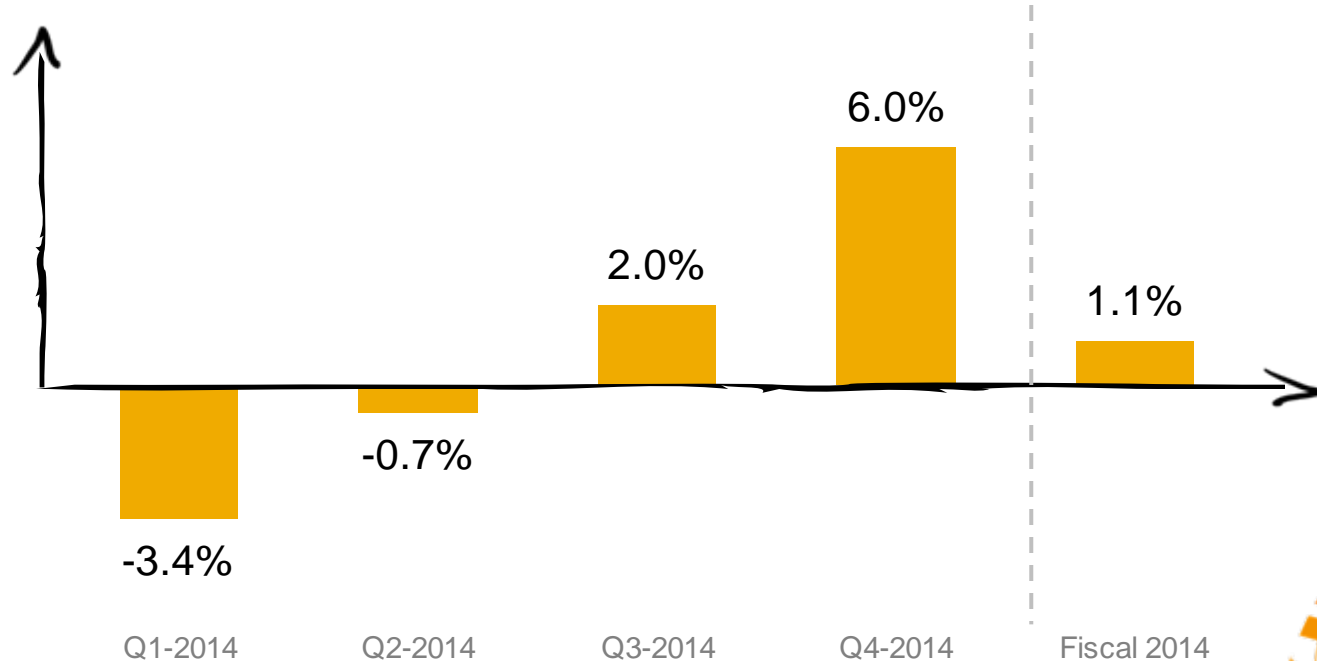
REGIONAL DISPARITIES



2014 HIGHLIGHTS

SAME-STORE SALES

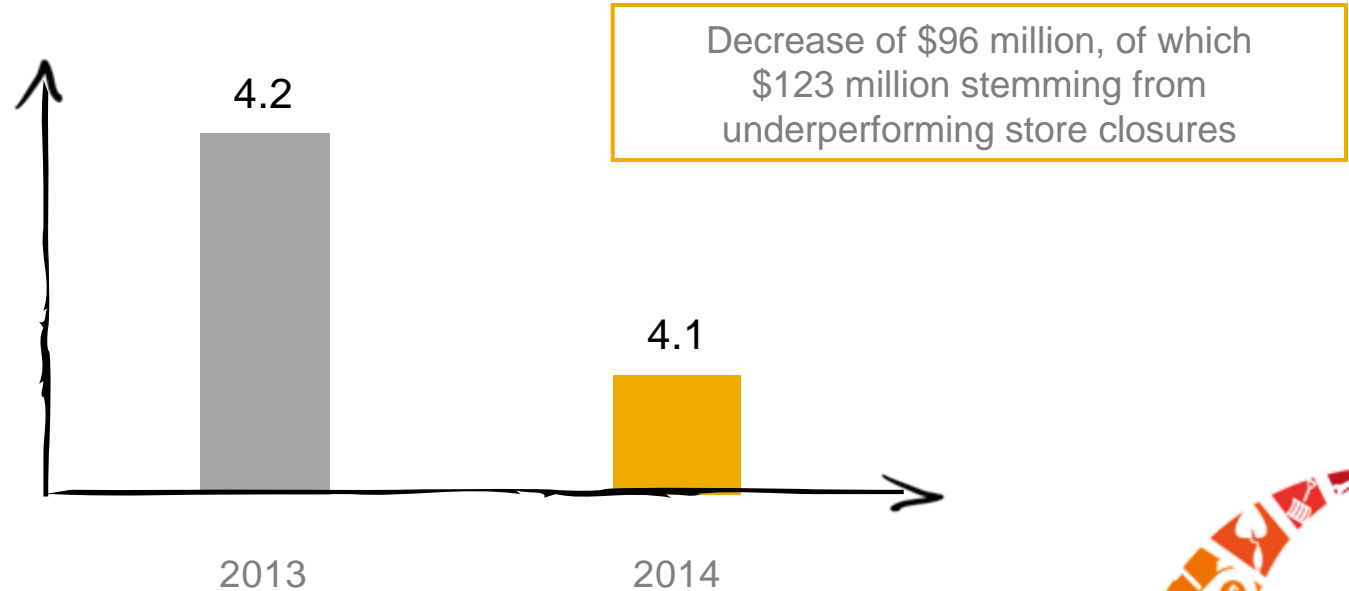
SAME-STORE SALES – RETAIL NETWORK



2014 HIGHLIGHTS

CONSOLIDATED SALES

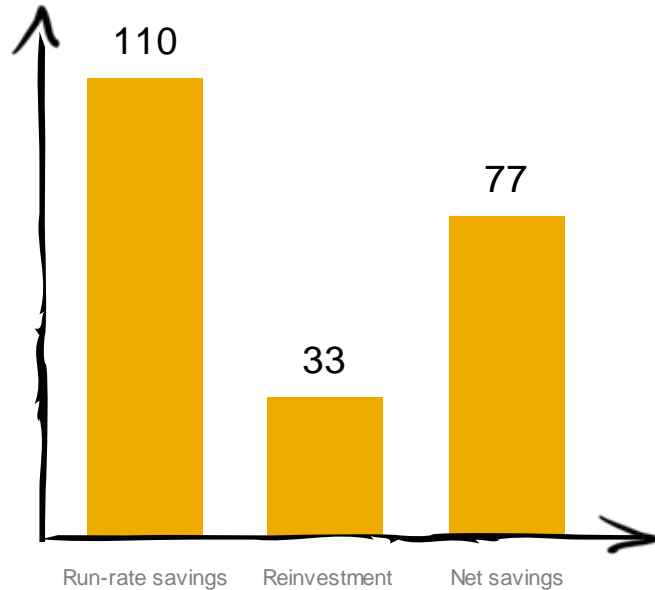
(IN BILLIONS \$)



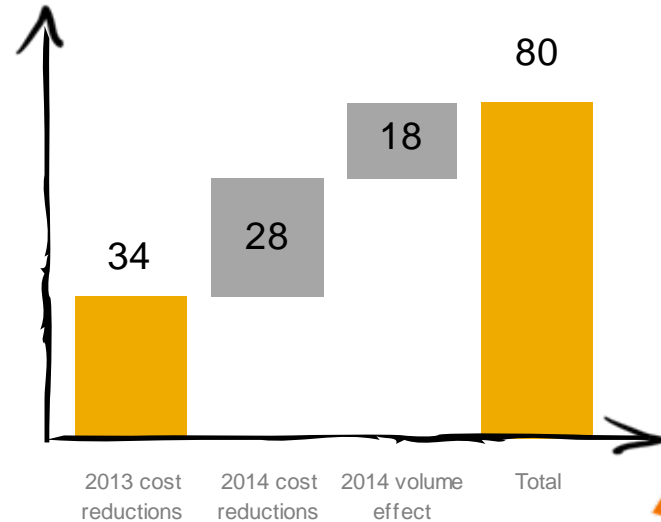
2014 HIGHLIGHTS

COST REDUCTION PLAN

OUR OBJECTIVE
(IN MILLIONS \$)

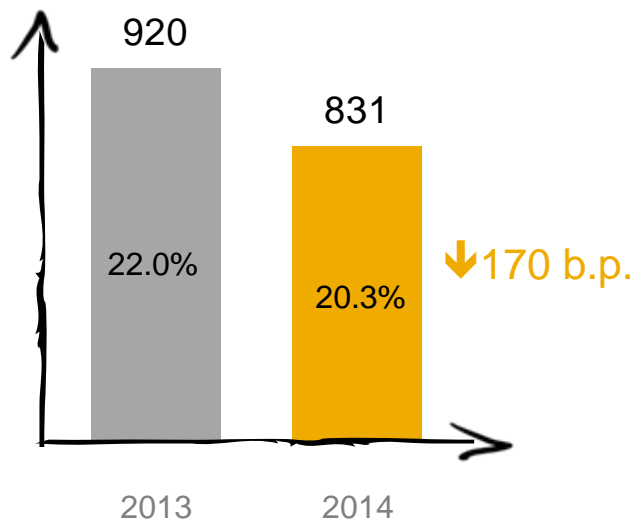


OUR ACCOMPLISHMENT
(IN MILLIONS \$)

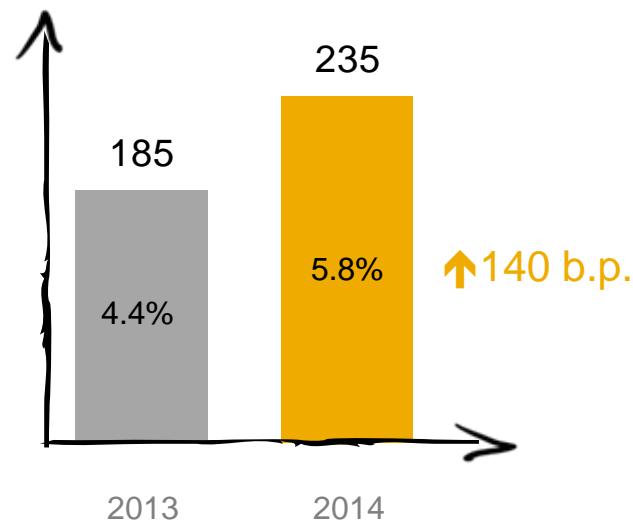


2014 HIGHLIGHTS

**ADJUSTED SELLING,
GENERAL AND
ADMINISTRATIVE
EXPENSES**
(IN MILLIONS \$)



ADJUSTED EBITDA
(IN MILLIONS \$)





2014 HIGHLIGHTS

OPERATING LEVERAGE

Retail sector

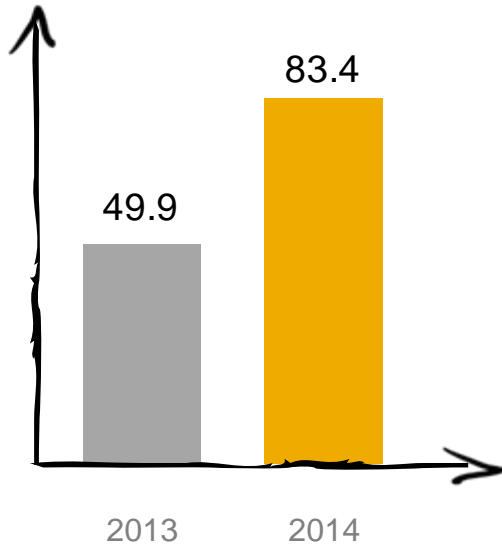
- 1.1% increase in same-stores sales
- Adjusted EBITDA margin increase by 150 basis points

DEMONSTRATES THE **OPERATING LEVERAGE** RELATED TO OUR **BUSINESS MODEL**

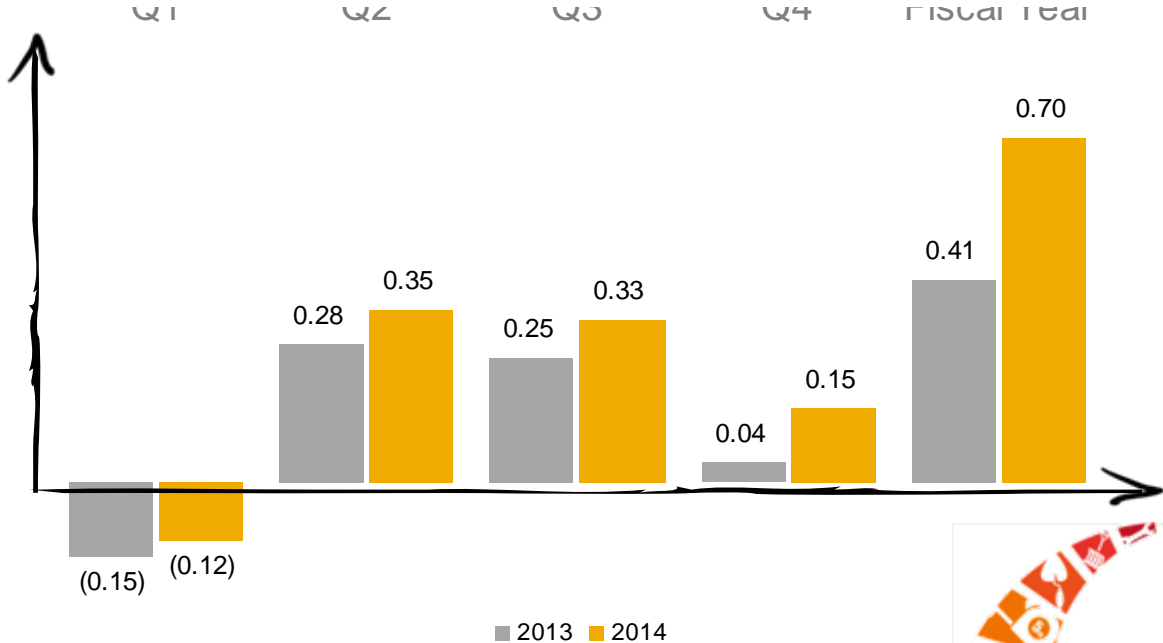
2014 HIGHLIGHTS

INCREASE IN RESULTS

ADJUSTED NET RESULTS
(IN MILLIONS \$)

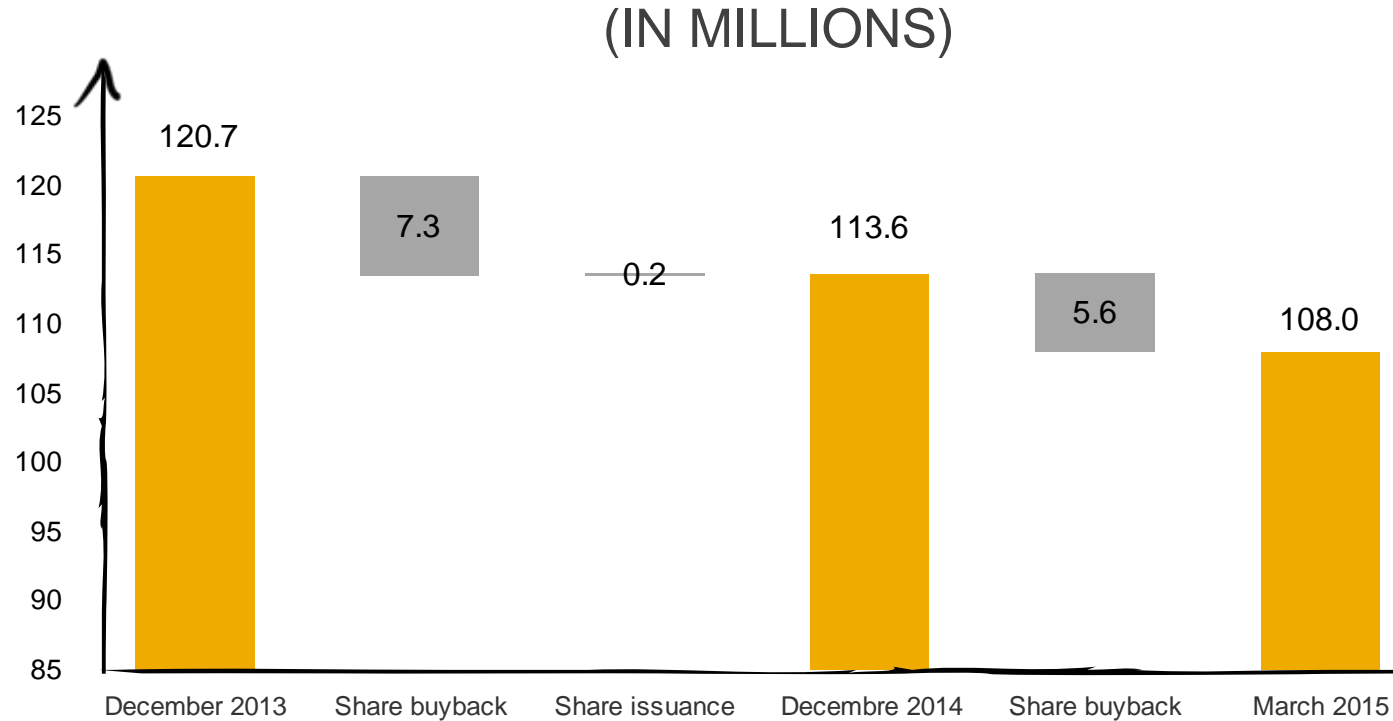


ADJUSTED NET RESULTS PER SHARE
(IN \$)



2014 HIGHLIGHTS

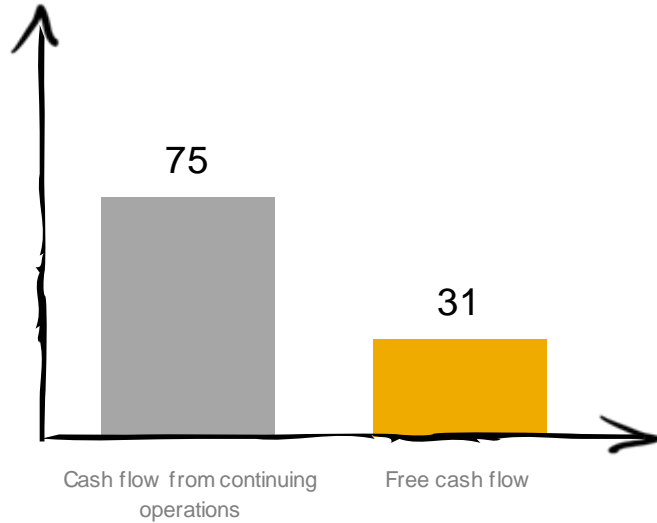
SHARE BUYBACK



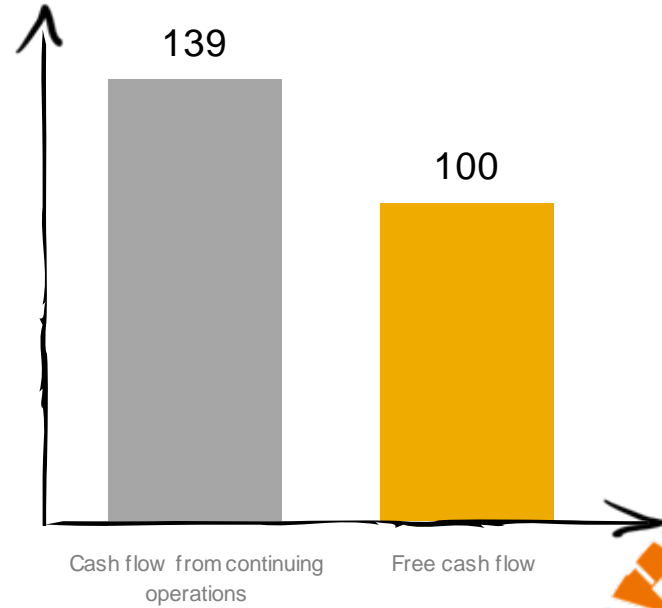
2014 HIGHLIGHTS

CASH FLOW

2013
(IN MILLIONS \$)



2014
(IN MILLIONS \$)

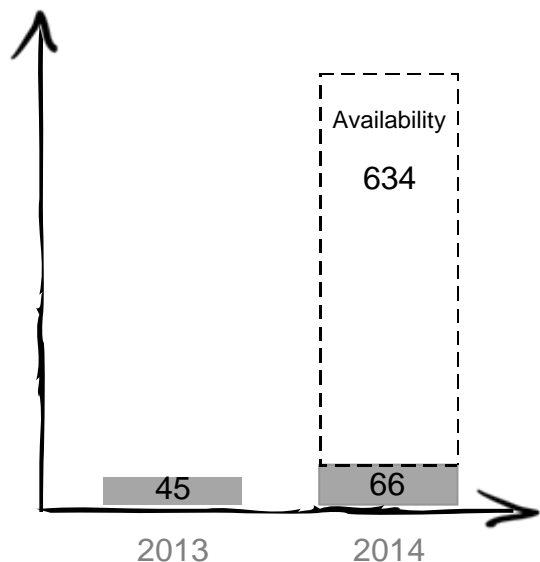


2014 HIGHLIGHTS

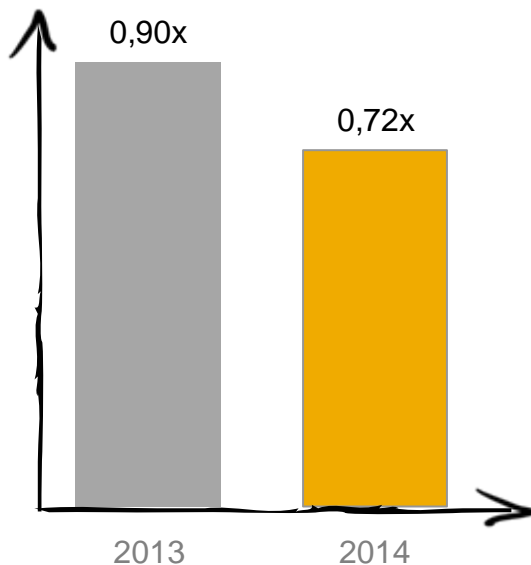
STRONG FINANCIAL POSITION

CREDIT FACILITY

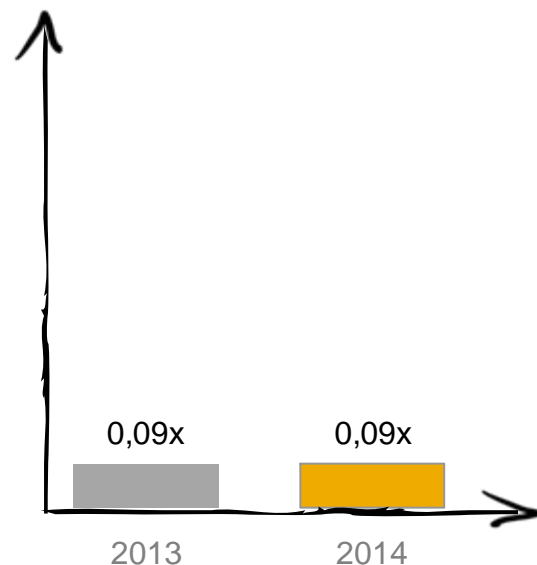
(IN MILLIONS \$)



NET DEBT / ADJUSTED EBITDA RATIO



NET DEBT / TOTAL CAPITALIZATION RATIO





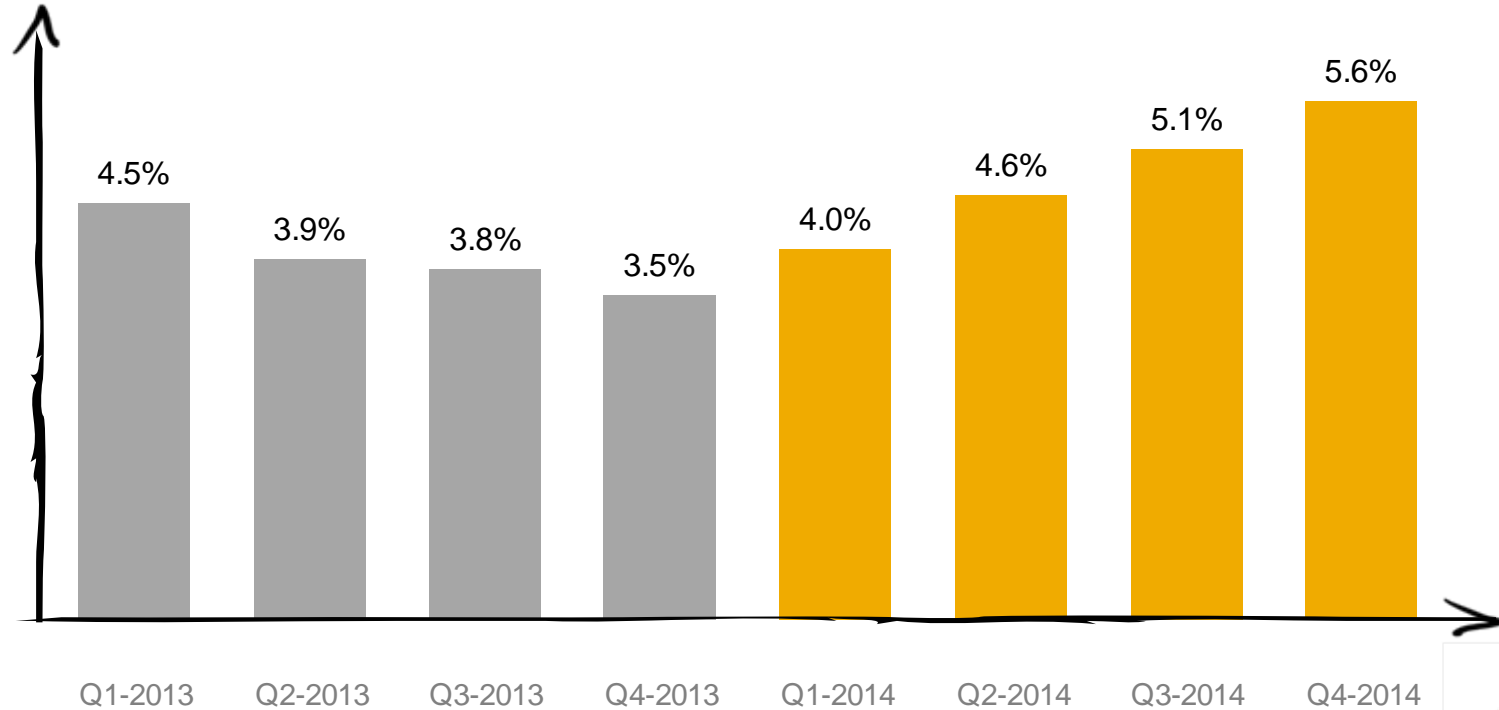
MAXIMIZE THE RETURN ON CAPITAL

The goal for 2014 was to:

- Satisfy the needs of our different target customers groups
- Carry the right products, in the right quantities and at the right prices
- Inventories rose from \$739 million in 2013 to \$820 million in 2014

2014 HIGHLIGHTS

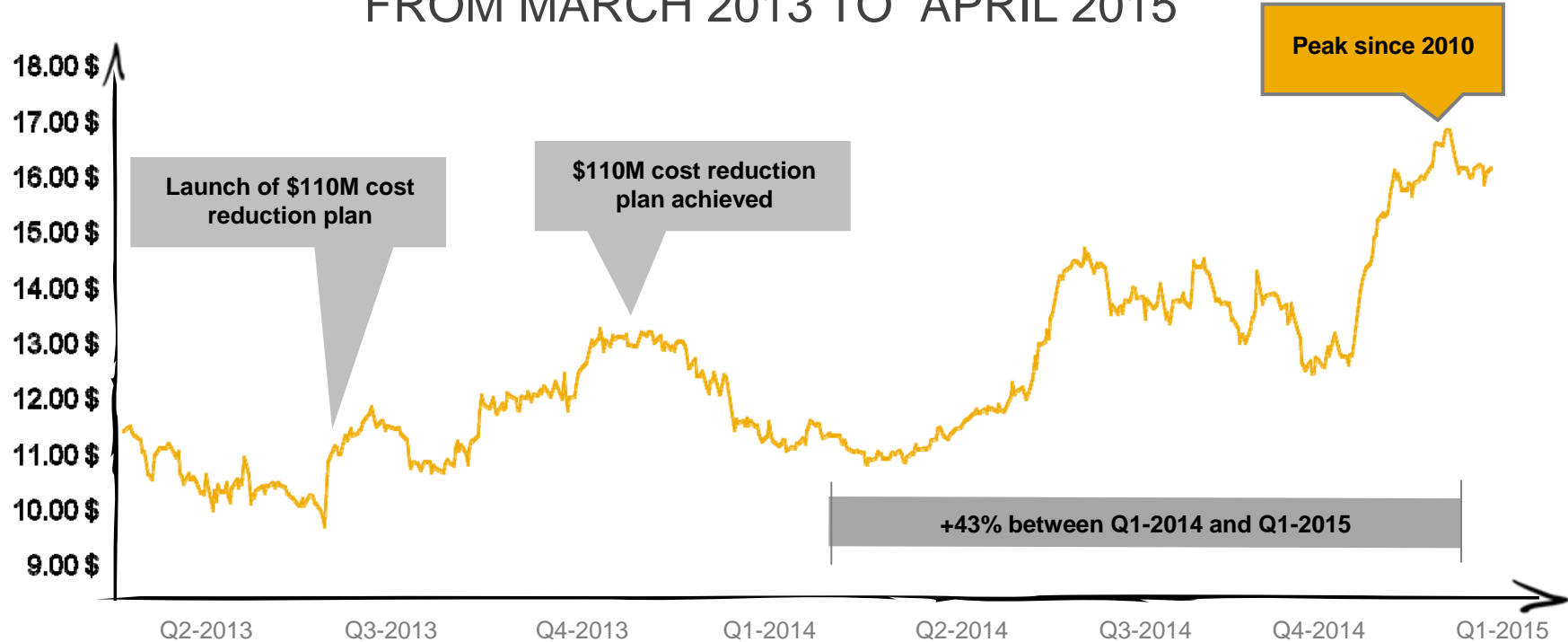
RETURN ON CAPITAL



2014 HIGHLIGHTS

STOCK PRICE

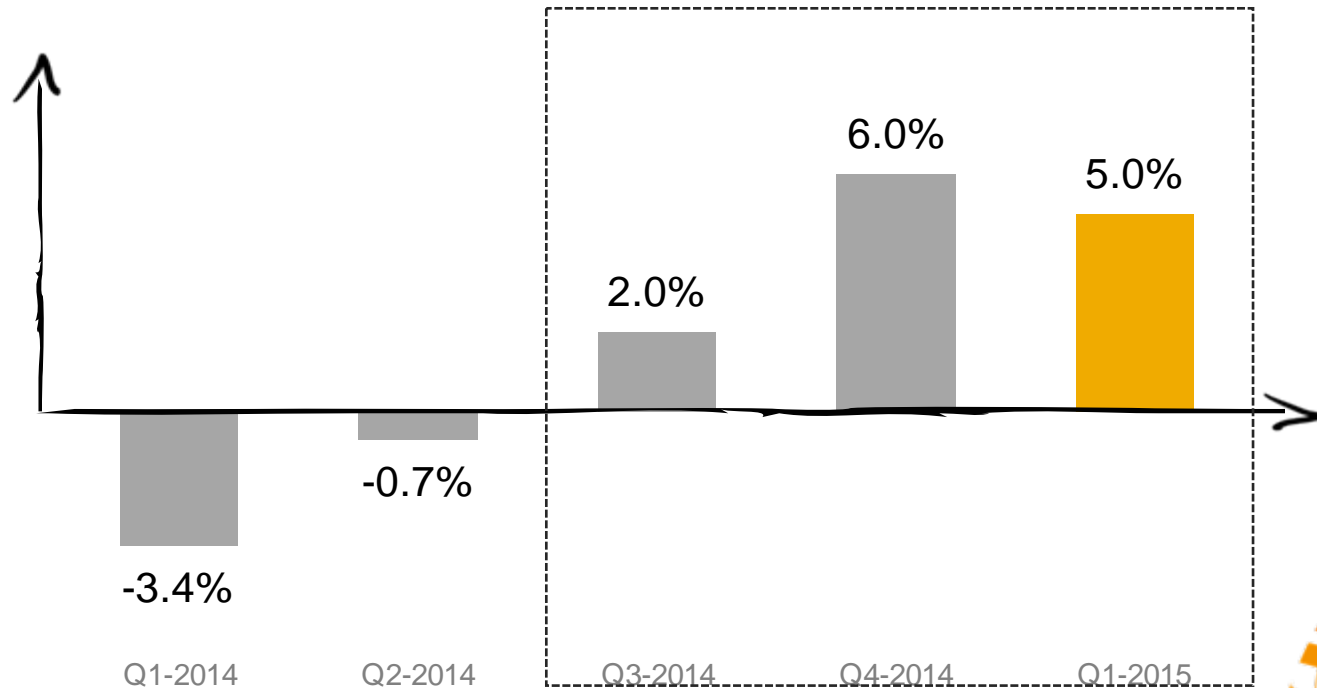
FROM MARCH 2013 TO APRIL 2015



FIRST QUARTER FINANCIAL RESULTS 2015

SAME-STORES SALES

SAME-STORE SALES – RETAIL NETWORK



A close-up, side-profile view of a person with dark, curly hair, wearing a dark plaid shirt, working on a wooden project. They are using a hand tool to shape a piece of light-colored wood on a dark wooden workbench. The background is slightly blurred, showing more of the workshop environment.

2015 FIRST QUARTER FINANCIAL RESULTS

- Performance of Réno-Dépôt in Québec continues to generate solid growth in same-store sales
- An early Spring in Western Canada gave rise to strong sale of seasonal products
- Increase of 1.9% in consolidated sales compared to the previous year

2015 FIRST QUARTER FINANCIAL RESULTS



- Gross margin up by 100 basis points, representing an increase of \$11.4 million
- Adjusted EBITDA up 21.9%
- Loss down from \$14.4 million in 2014 to \$11.2 million in 2015

2015 FIRST QUARTER FINANCIAL RESULTS



- Use of credit facility higher than in 2014 due to \$164 million share repurchase
- Solid financial position
- Return on capital for the past 12 months is 5.7%, compared to 4.0% in 2014

2015 FIRST QUARTER FINANCIAL RESULTS

- We have the critical elements to support profitable growth that will create value for our shareholders
 - A solid team
 - Widely recognized banners that inspire confidence
 - Clearly defined strategies aligned with customer needs
 - A healthy financial position





ROBERT CHEVRIER

EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS



RONA



MEETING ADJOURNED



QUESTIONS



RONA