

2015 QUEBEC CONFERENCE

TORONTO, JUNE 3RD, 2015

Robert Sawyer, President and Chief Executive Officer

Dominique Boies, Executive Vice President and CFO

André Lavoie, Vice President – Finance and Investor Relations



Q1 - 2015

FORWARD-LOOKING STATEMENTS

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.

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A) ABOUT RONA

A SHIFT FROM WHOLESALER TO RETAILER

	2000	2007	2013	LTM Q1-2015
Sales by segment	<i>Retail, 40%</i>  <i>Distribution, 60%</i>	<i>Retail, 77%</i>  <i>Distribution, 23%</i>	<i>Retail, 71%</i>  <i>Distribution, 29%</i>	<i>Retail, 72%</i>  <i>Distribution, 28%</i>
Sales	\$1.3G	\$4.8G	\$4.2G	\$4.1G
EBITDA	\$47M	\$384M	\$185M	\$238M
Employees	11,000	27,000	24,000	24,000
Assets	\$450M	\$2.5G	\$2.3G	\$2.5G



EXTENSIVE FOOTPRINT TO BE CLOSER TO CUSTOMERS ACROSS CANADA

CANADA (511 STORES) SALES: \$4.1MM

	SQ. FT.	Corporate	Franchised	Affiliated	TOTAL
Big-box	50 to 165K	43	17		60
Reno-Depot	80 to 100K	19 ⁽¹⁾			19
Proximity	10 to 50 k	133	3	275	411
Contractor	5 to 10k	21			21
TOTAL		216	20	275	511

WEST (123 STORES)

	Corporate	Affiliated	TOTAL
Big-box	17		17
Reno-Depot	1 ⁽²⁾		1
Proximity	50	50	100
Contractor	5		5
TOTAL	73	50	123

QUEBEC (246 STORES)

	Corporate	Franchised	Affiliated	TOTAL
Big-box	11	15		26
Reno-Depot	17			17
Proximity	26	3	158	187
Contractor	16			16
TOTAL	70	18	158	246

ONTARIO (117 STORES)

	Corporate	Franchised	Affiliated	TOTAL
Big-box	15	2		17
Reno-Depot	1 ⁽²⁾			1
Proximity	44		55	99
TOTAL	60	2	55	117

ATLANTIC (25 STORES)

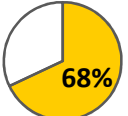
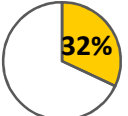
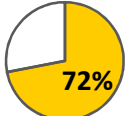
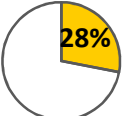


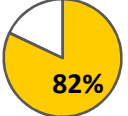
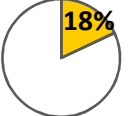
	Corporate	Affiliated	TOTAL
Proximity	13	12	25

- (1) In January 2015, a Big-box store was converted into a Reno-Depot store (Reno-Depot Drummondville);
 (2) First Two new Reno-Depot store openings outside Québec (Aurora in March and Calgary Northwest early in April).



GLOBAL OVERVIEW

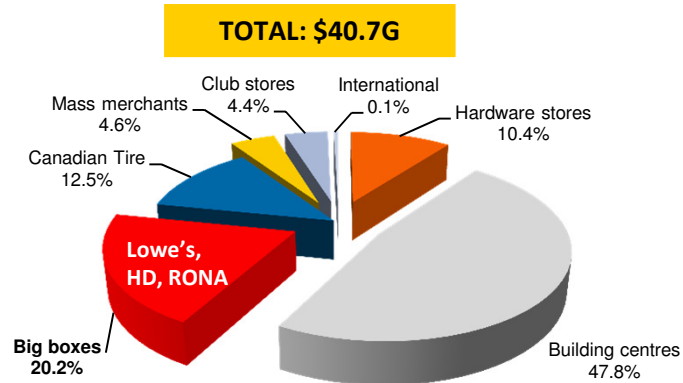
Q1-2015 & Q1-2015 LTM

	Q1-2015			Q1-2015 LTM		
	RETAIL	DISTRIBUTION	TOTAL	RETAIL	DISTRIBUTION	TOTAL
SALES	\$528M 	\$251M 	\$779M	\$2.9G 	\$1.2G 	\$4.1G
EBITDA	\$3.7M 	\$8.5M 	\$12.2M	\$195M 	\$43M 	\$238M
# STORES	216	295	511	216	295	511

NEW BANNER POSITIONING

FOUR DISTINCT GROWTH VECTORS

CANADIAN MARKET



* Hardlines 2014

BIG BOX SALES

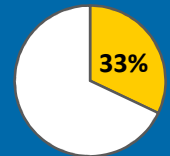
Reno-Depot
(19 corporate)



BIG-BOX
(43 corporate / 17 franchised)



SALES



PROXIMITY & CONTRACTORS SALES

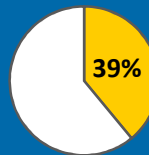
PROXIMITY
(133 corporate / 3 franchised/ 275 affiliated)



CONTRACTORS
(21 corporate)



SALES

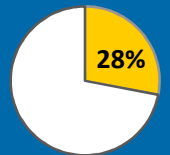


DISTRIBUTION SALES

9 DISTRIBUTION CENTRES



SALES





B) ACHIEVEMENTS SINCE 2014

OUR PLAN

Phase I : Restructuring plan

- Cost reduction
- Process optimization
- Disposition of non core assets

Phase II : RONA's positioning

- Customer experience
- Reno-Depot conversion
- Totem integration
- Banner repositioning
- Merchandising strategy

Phase III: Customer satisfaction

- Sales growth
 - In-store execution
 - Merchandising strategy
 - New product introduction
 - Disciplined expansion
 - RONA Proximity
 - Reno-Depot



MAIN OBJECTIVE : VALUE CREATION FOR OUR SHAREHOLDERS

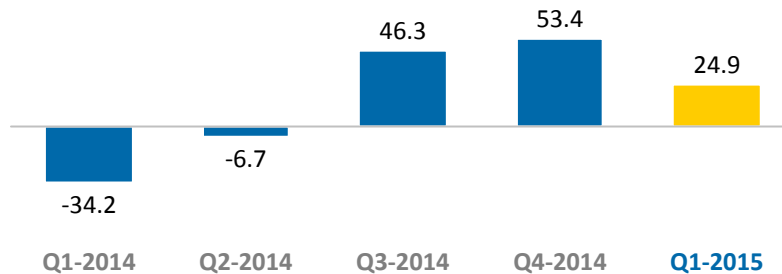


IMPROVING TREND SINCE 2014

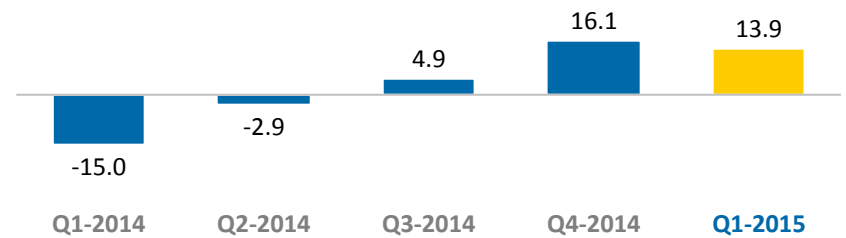
(IN \$M)

Organic growth ⁽¹⁾

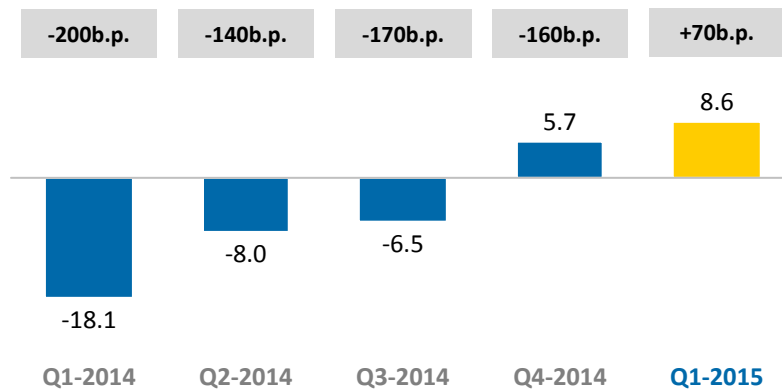
REVENUES



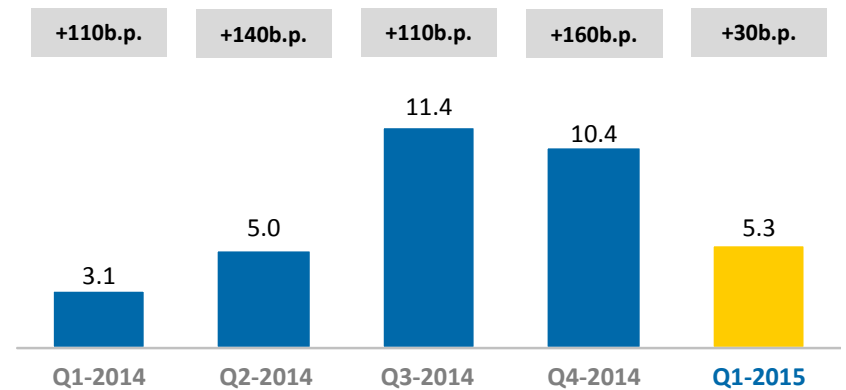
ADJUSTED GROSS MARGIN



ADJUSTED SG&A



ADJUSTED EBITDA

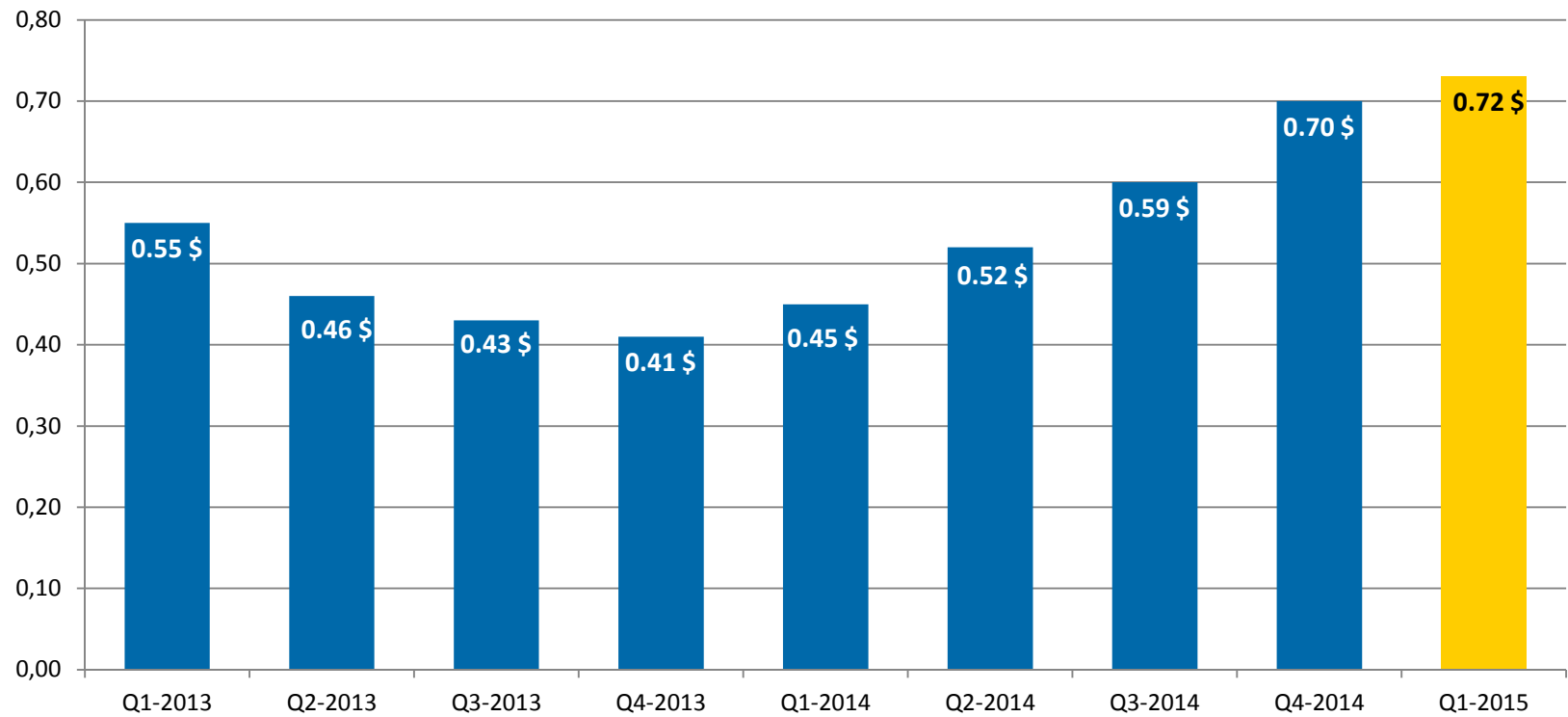


(1) Quarterly analysis are based on each store's status at the time the analysis are prepared. If a store's status changes during the year, then the year-to-date data will take the store's new status into account.



EARNINGS PER SHARE

LTM HISTORICAL ADJUSTED BASIC AND DILUTED EPS

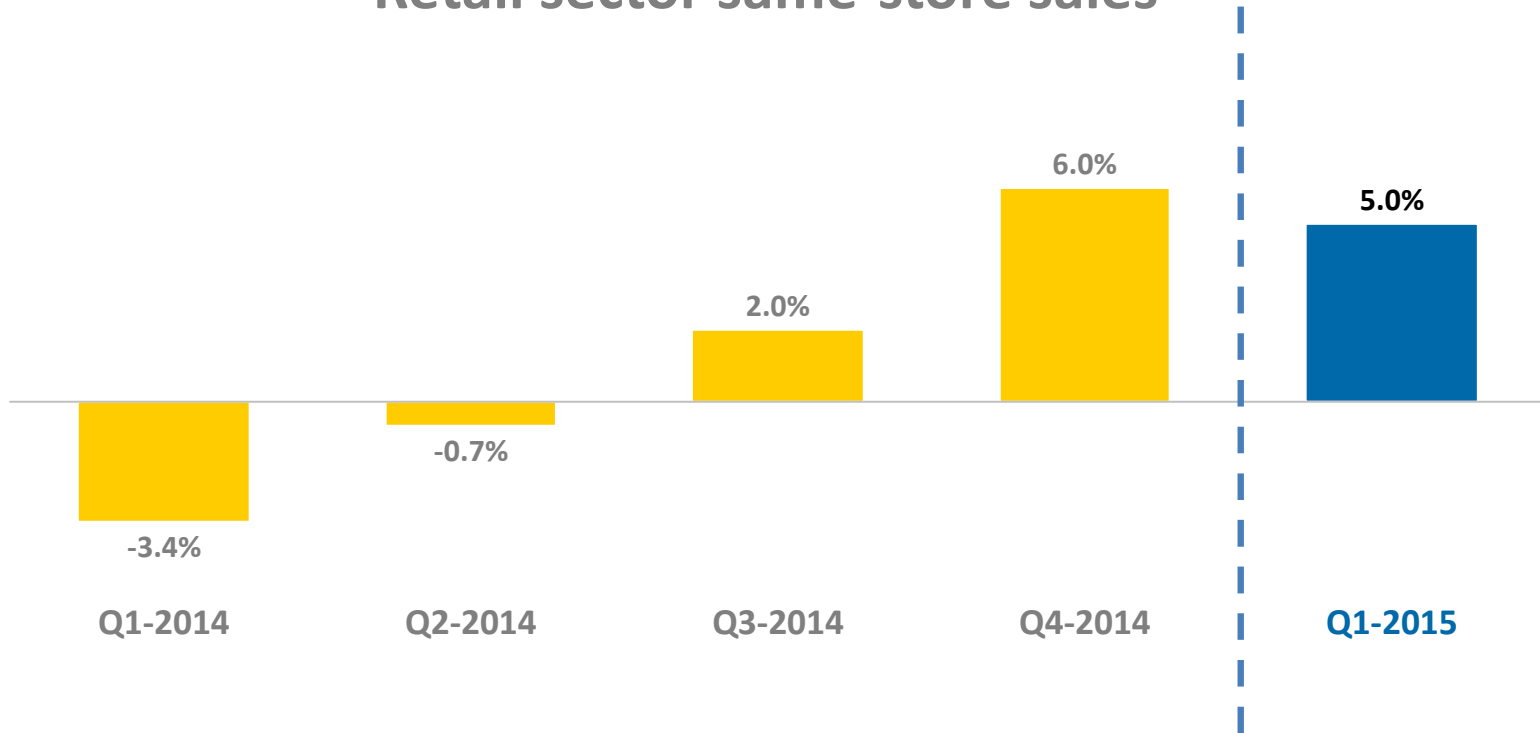




C) 2015 FIRST QUARTER & LAST TWELVE MONTHS RESULTS

IMPROVING THE TREND IN SAME-STORE SALES

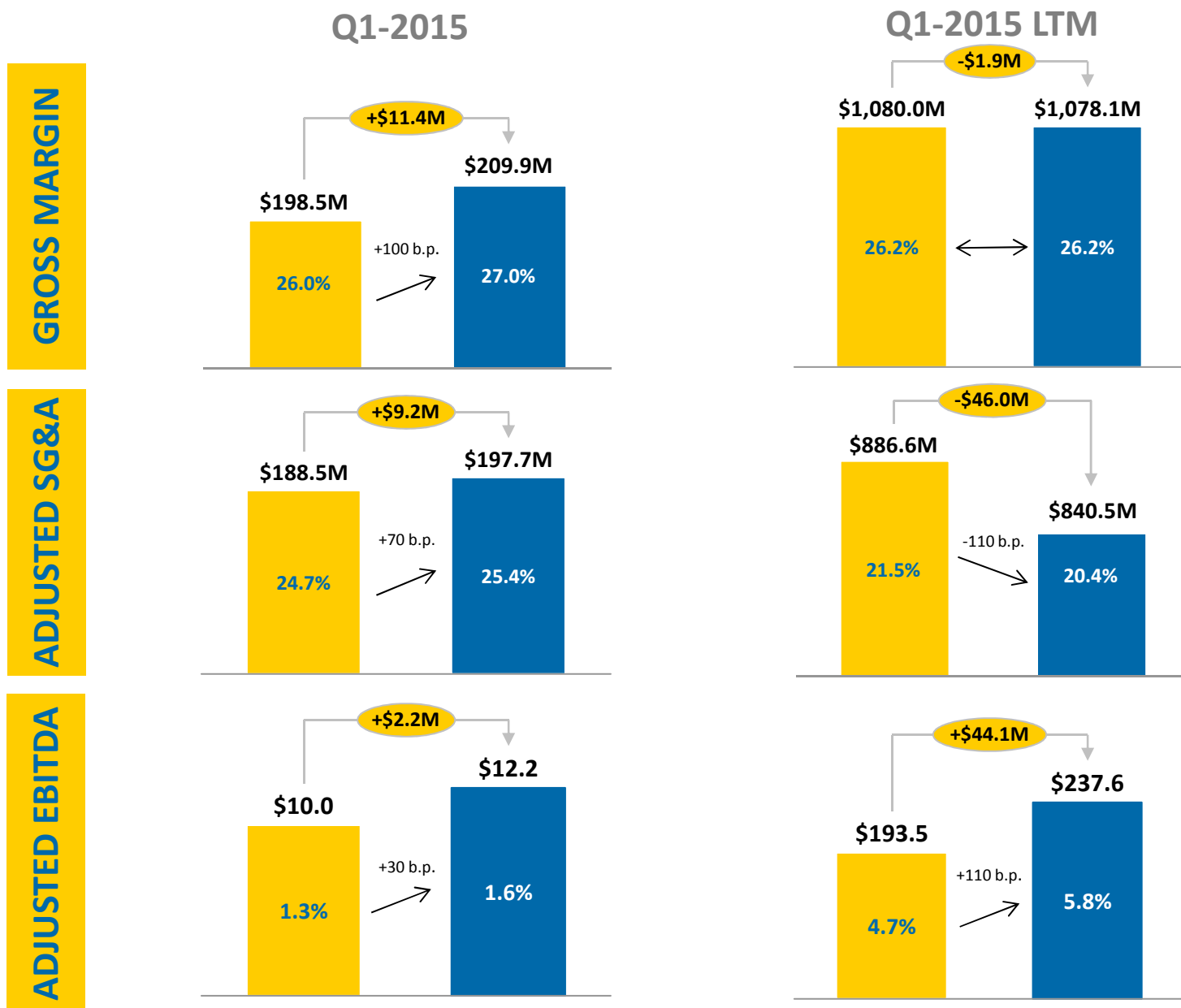
Retail sector same-store sales



Strong performance across our network



FIRST QUARTER & LAST TWELVE MONTHS RESULTS

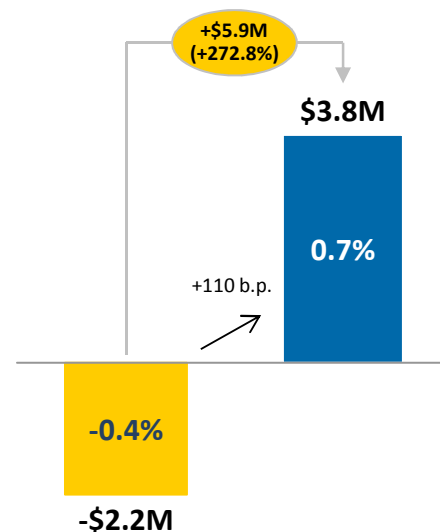


FIRST QUARTER & LAST TWELVE MONTHS RESULTS

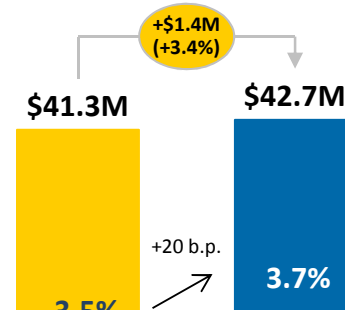
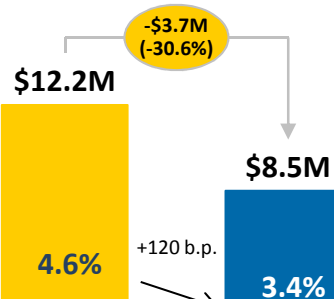
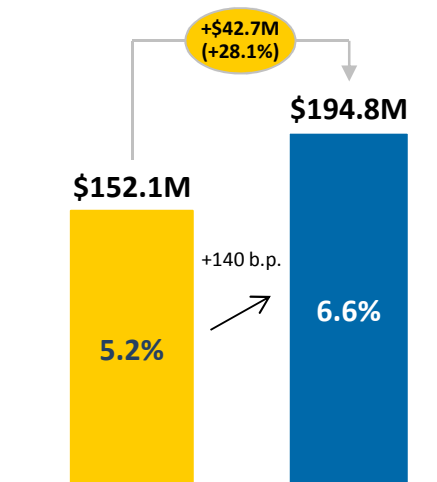
RETAIL EBITDA

DISTRIBUTION EBITDA

Q1-2015

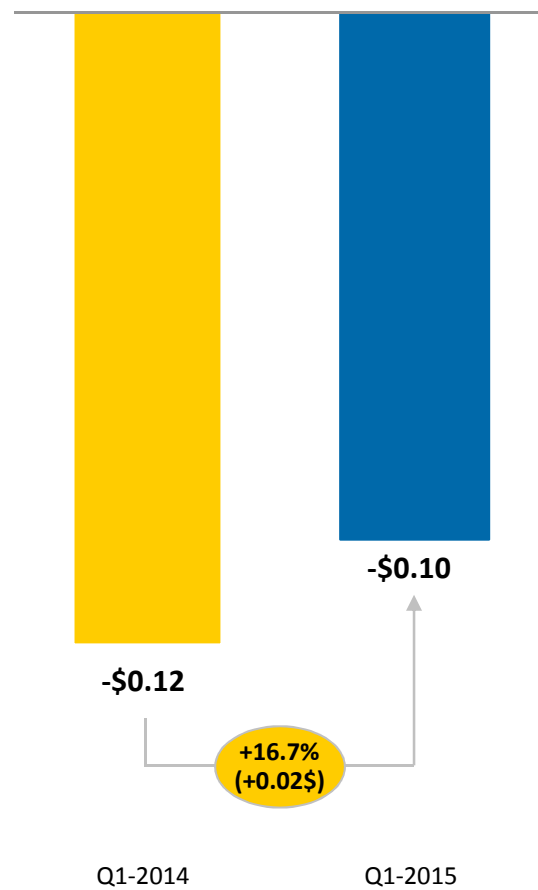


Q1-2015 LTM

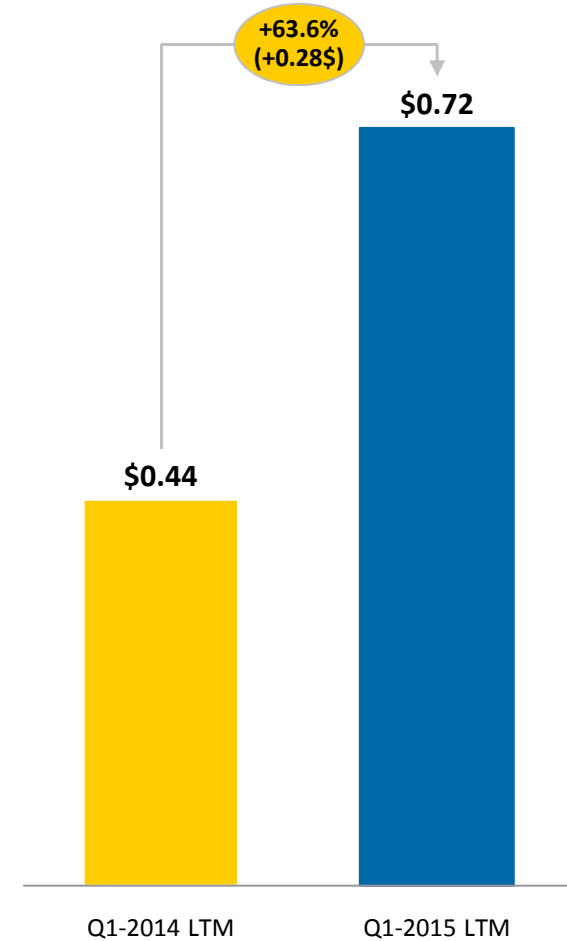


FIRST QUARTER & LAST TWELVE MONTHS ADJUSTED EPS

FIRST QUARTER



Q1-2015 LTM

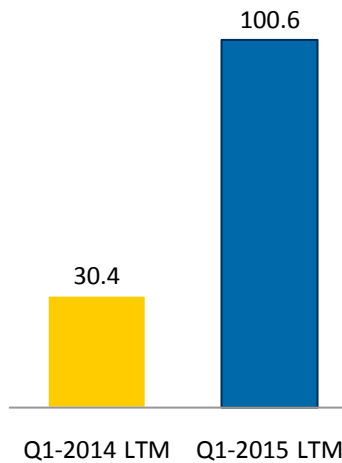
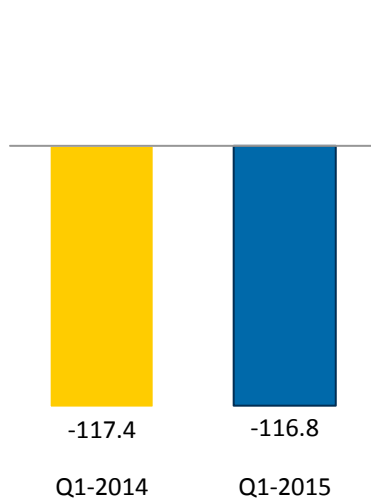




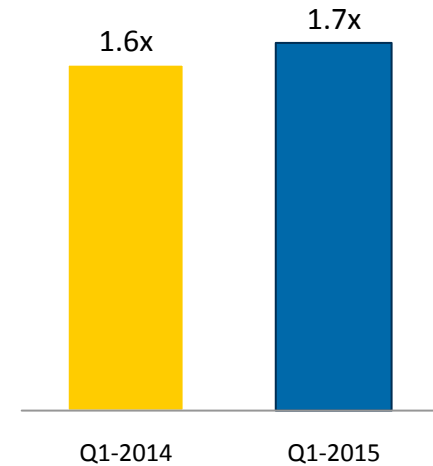
D) CAPITAL EFFICIENCY

CASH FLOW & DEBT

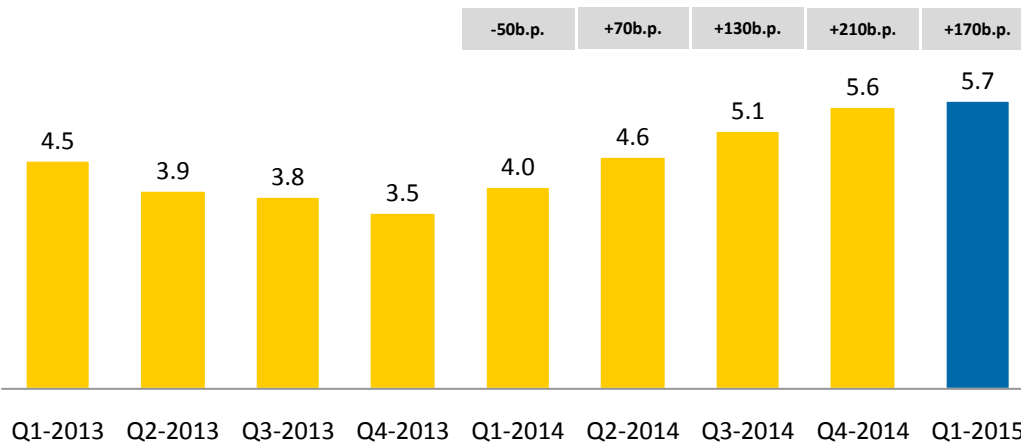
FREE CASH FLOW (IN \$M)



Net Debt/ Adjusted EBITDA



RETURN ON CAPITAL (IN%)

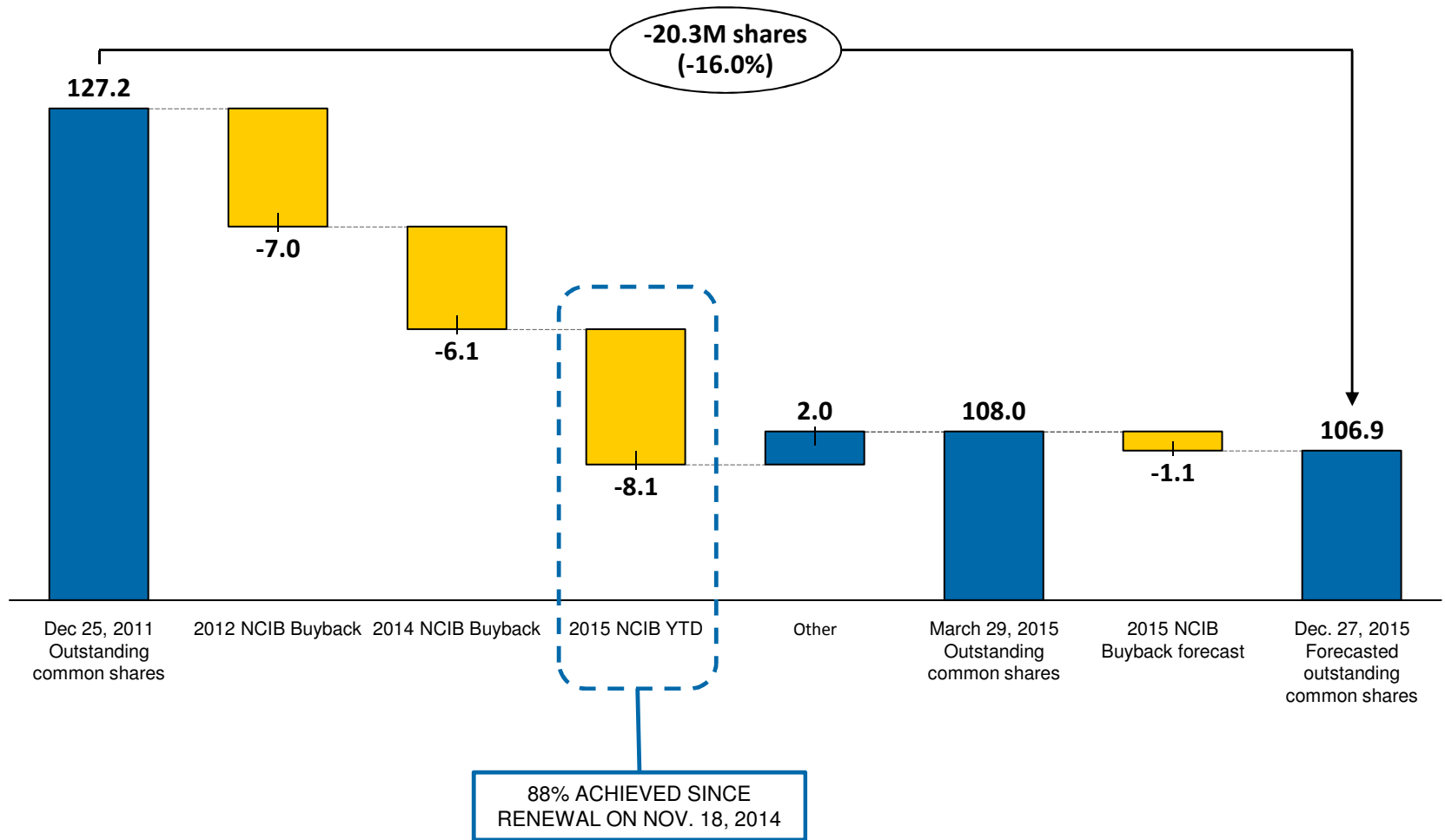


CASH UTILIZATION

2015	CAPEX	\$100M
	NCIB	\$110M
	88% OF NCIB PROGRAM COMPLETED	
2016	Maturity:	
	Pref. Shares (March)	\$172.5M
	Debentures (October)	\$116M



HISTORICAL NCIB



CONCLUSION

Strong financial position which gives us flexibility with:



SHARE BUYBACK PROGRAM



FOCUS ON PROFITABLE CAPITAL INVESTMENTS:

Rona continues to be highly selective in its investments



DEBT REDUCTION





E) EXPANSION

EXPANSION STRATEGY

2014

Conversion of 16 existing Reno-Depot stores

2015

- 17th Reno-Depot store opened in Drummondville, Qc, in January 2015;
- 2 Reno-Depot store openings outside Québec (Ontario and Alberta);
- 3 proximity store openings before the end of 2015.

Install services and special orders

Introduce new categories (consumer products, décor, auto, pet food)

Reinforce our core department (paint, flooring, plumbing)

Reinvest in store network/ Store renovation (approximately \$50M),
reinvestment in network

New network expansion and development team





THANK YOU





APPENDIX

CURRENT DISTRIBUTION CENTERS NETWORK

9 distribution centers

● Hardware (2 226 000 sq. ft.)

● LBM (1 913 000 sq. ft.)

