

ATS

Build. Grow. Expand.

MARCO ACQUISTION

TSX: ATA

12.16.19

Forward Looking Statements & Non-IFRS Measures



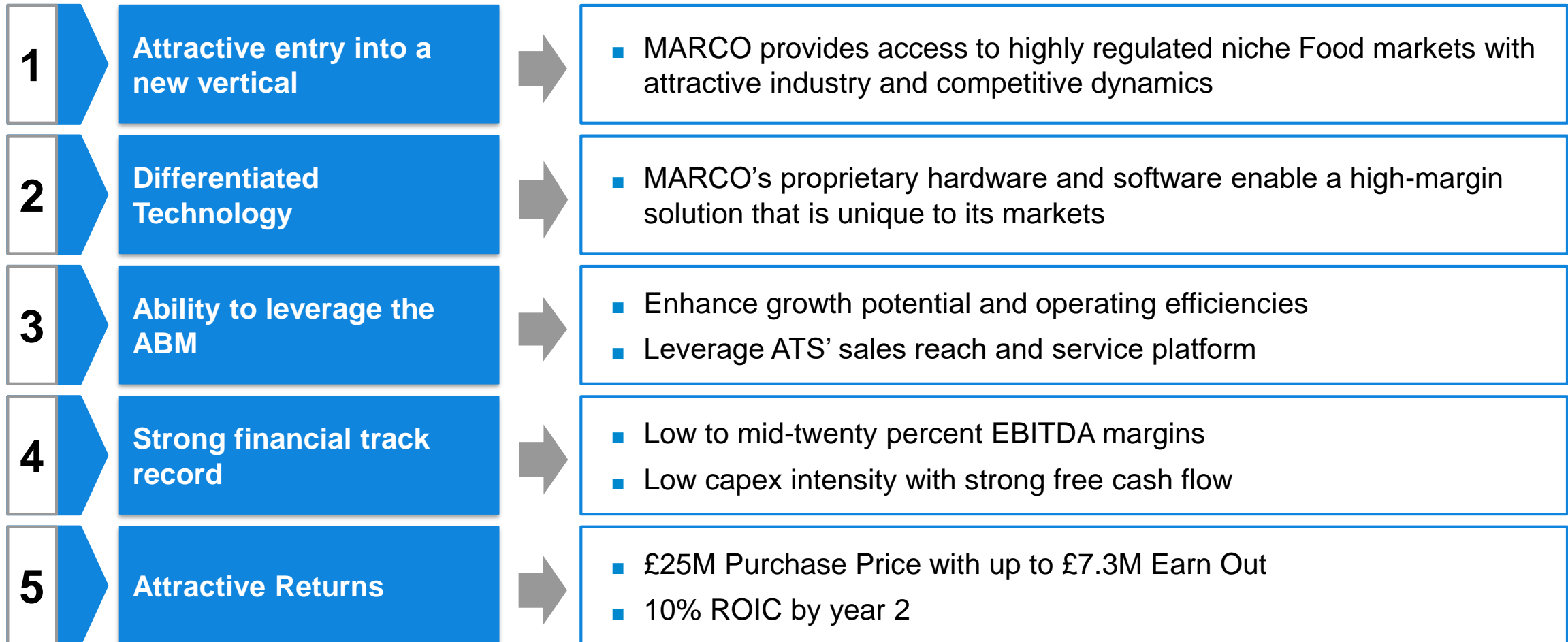
This presentation and the oral statements made during this meeting contain certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS, or developments in ATS' business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements relate to, among other things: the growth of the market MARCO serves and MARCO positioning to meet demand; expectations relating to MARCO revenue and EBITDA margin; expectations relating to ATS' return on invested capital associated with this investment; and expectations regarding ATS support for MARCO, integration and deployment of the ATS Business Model. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy and general market performance including capital market conditions and availability and cost of credit; performance of the market sectors that MARCO and ATS serve; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; failure or delays associated with new customer programs; that ATS support, integration and the deployment of the ATS Business Model are not completed as quickly or effectively as planned or expected and, as a result, anticipated benefits, enhancements and synergies are not realized; that MARCO's business does not perform as expected, negatively impacting revenue and EBITDA margin and return on invested capital; that one or more customers, or other persons with which MARCO has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses; political, labour or supplier disruptions; imposition of new duties, tariffs or other legal barriers that impact MARCO's markets; that growth in markets MARCO serves is less than expected; risks relating to legal proceedings to which MARCO and/or ATS is or may become a party; exposure to product liability claims; risks associated with greater than anticipated tax liabilities or expenses; and other risks detailed from time to time in ATS' filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and other than as required by applicable securities laws, ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

Non-IFRS Measures: This presentation uses the non-IFRS measures EBITDA, EBITDA margin, and return on invested capital associated with this investment. These terms do not have any standardized meanings prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is defined as earnings from operations excluding depreciation and amortization (which includes amortization of intangible assets). EBITDA margin is an expression of an entity's EBITDA as a percentage of revenues. EBITDA is used by the Company to evaluate the performance of operations. Management believes that EBITDA is an important indicator of ability to generate operating cash flows to fund continued investment in operations. Management believes that ATS shareholders and potential investors in ATS use these non-IFRS financial measures in making investment decisions and measuring operational results. Return on invested capital associated with this investment, as used herein, means in respect of any fiscal year, the net income of MARCO in such fiscal year, divided by the purchase price for the acquisition. Return on invested capital, as used herein, is used by ATS to evaluate the efficiency of the allocation of ATS' capital.

Acquisition Highlights



MARCO is a provider of yield control and recipe formulation systems to customers in the food, nutraceuticals and cosmetics sectors and provides ATS with a highly profitable entry into product-based, niche markets



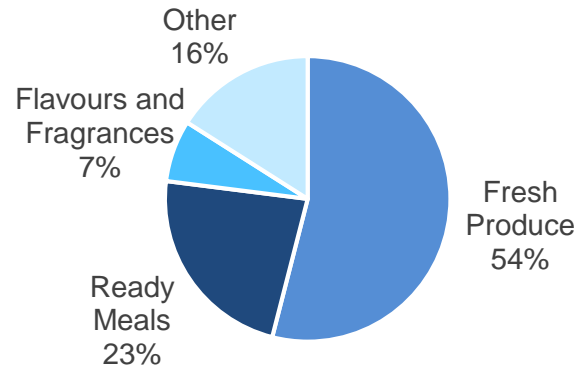
MARCO At A Glance



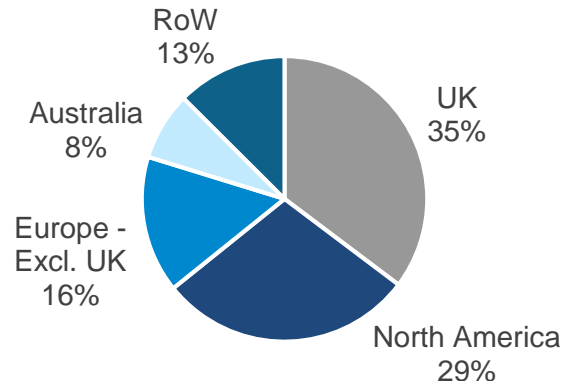
- Founded in 1985 and headquartered in Edenbridge, UK
- Specialized provider of yield control and recipe formulation solutions
- Proprietary hardware and software designed to increase consistency, yield and quality of products
- 70 employees, customers in 43 countries
- Forecasted fiscal '20 revenues of £15M
- Low- to mid-twenty percent EBITDA margin

FY2019 Sales Breakdown

Segment



Geography



Yield Control

Food



Recipe Formulation

Food, Cosmetics and Nutraceuticals



Key Products



LineMaster Workstation



Inline Checkweigher



CheckMaster



Combination Weigher



Dual Head Printing



DataMaster

Hardware enabled through Trac-IT Software

Markets and Customers



Fresh Produce Processing Value Chain Example



Picking



Washing



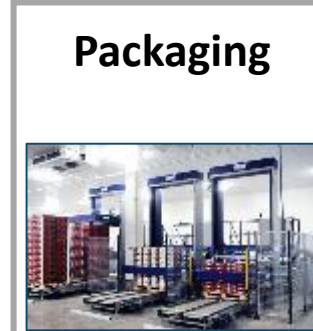
Sorting/
Inspection



Processing



Yield Control



Packaging



Distribution

MARCO®

Customers



Key Markets



Application of the ATS M&A Playbook

M&A Considerations What We Look For

MARCO[®]

Targeting Value Creation Opportunities in Attractive Markets	Attractive Markets	<ul style="list-style-type: none"> ■ Growth orientated ■ Low cyclical ■ Regulated spaces 	➔	✓	<ul style="list-style-type: none"> ■ US\$7B market growing at MSD¹ ■ Rising consumer demand ■ Strict industry and government regulations
	Strategic Value	<ul style="list-style-type: none"> ■ Differentiated technology ■ Innovative products ■ Niche applications ■ Geographic penetration 	➔	✓	<ul style="list-style-type: none"> ■ Proprietary hardware and software ■ Attractive follow-on growth opportunities
	Operational Fit	<ul style="list-style-type: none"> ■ Ability to manage ■ Synergy potential ■ ABM implementation 	➔	✓	<ul style="list-style-type: none"> ■ UK based business ■ Experienced and motivated leadership team ■ Leverage ABM to drive growth
	Financial Returns	<ul style="list-style-type: none"> ■ ROIC > cost of capital ■ Strong EBITDA potential ■ Recurring revenue ■ EPS accretion 	➔	✓	<ul style="list-style-type: none"> ■ Low to mid-twenty percent EBITDA margins ■ Year 2 ROIC of 10%



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