



A U T O M A T I O N

(519) 653-6500

730 Fountain Street North, Cambridge, Ontario N3H 4R7

## ATS LAUNCHES VOLUNTARY TENDER OFFER FOR GLOBAL FOOD & BEVERAGE EQUIPMENT SUPPLIER CFT S.p.A.

**Cambridge, Ontario** (December 7, 2020) - ATS Automation Tooling Systems Inc. (TSX:ATA) ("ATS" or the "Company"), an industry-leading automation solutions provider, today announced its intention to acquire, by way of a voluntary public tender offer, CFT S.p.A. (*BIT:CFT*) ("CFT"), an established global supplier to the food and beverage equipment market. The tender offer of €4.60 per share represents a total equity value of €88 million and a total enterprise value of €166 million (~C\$260 million).

"This is a highly strategic transaction that will allow us to establish a broader growth platform for ATS in the regulated food and beverage equipment market, and positions us well in attractive niches," said Andrew Hider, CEO of ATS. "With a 75-year track record, proven technology and a dedicated workforce of 900-plus employees, CFT enables us to capture more of the value chain in a vertical we covet for its stability and growth, and complements our recent MARCO acquisition. CFT also offers significant value creation potential for ATS shareholders as we work with the CFT team to apply the ATS Business Model to achieve cost and revenue synergies."

"As an industry leader in automation with a long track record of innovating for customers, ATS is ideally suited to take CFT to the next level in our markets," said Roberto Catelli, Representative of the Major Shareholders of CFT. "The major shareholders are very pleased to support this transaction as it will create both opportunity and value for CFT, our customers and employees in the years ahead."

Established in 1945 and headquartered in Parma, Italy, CFT serves a global customer base through its portfolio of market-leading brands and eight facilities in Italy, Spain, Germany and Ukraine. With 140 patents, the company is a technology leader in the attractive fresh produce sorting, processing, and packaging niches. In 2019, CFT generated revenue of €254 million and EBITDA of €17.5 million. Approximately 40% of its revenue comes from Europe, 23% from North America and the remainder from other regions. CFT derives 30% of its sales from single machines, 50% from complete systems, and 20% from aftermarket parts & services. The ordinary shares of CFT are currently listed on the AIM Italia stock exchange.

### Significant Synergy Opportunity

ATS expects to achieve approximately €7 million in annual cost synergies within three years of closing, including elimination of CFT's public company costs, supply chain savings, and cost structure optimization. ATS also expects revenue synergies to generate approximately €7 million of EBITDA within three years from joint product development, cross-selling of complementary customer solutions and aftermarket initiatives. The transaction is expected to be accretive to ATS' earnings and cash flow per share in the first year following the acquisition. ATS is targeting a double-digit return on invested capital (ROIC) by the third year following completion of the acquisition.

### Key Offer Terms and Structure

The tender offer is being launched by ATS Automation Holdings Italy S.r.l., a limited liability company indirectly and wholly controlled by ATS, to acquire 100% of CFT's outstanding shares and voting rights. The offer price has been set at €4.60 per share in cash, representing a total enterprise value of €166 million and a premium equal to 86% over the official price of CFT's ordinary shares as of December 4, 2020 (the trading day prior to the announcement of the offer).

The tender period under offer will commence if and when approval is obtained from the applicable Italian regulatory authority. It is expected that such approval could be granted in January 2021. Once approved, the tender period will remain open for a period of time determined in consultation with the Italian stock exchange, expected to be between 15 and 40 trading days. On this basis, it is estimated that the transaction could close in the first calendar quarter of 2021.

The voluntary tender offer is subject to various closing conditions, including that: (i) ATS be in a position to acquire at least 90% of outstanding ordinary share capital by the end of the offer period in order to effect the delisting of CFT's ordinary shares from the AIM Italia, (ii) specified changes to the by-laws of CFT are approved by its shareholders, (iii) certain lock-up arrangements are waived, and (iv) customary regulatory approvals are received, including clearance by the German anti-trust authority and approval from the Spanish Foreign Investment Authority. In the event that less than 90% of the outstanding ordinary shares of CFT are submitted to the tender offer, ATS may elect to close on such lesser amount and pursue other methods for effecting the delisting. In addition, if less than 100% of the outstanding shares of CFT are submitted pursuant to the tender offer, ATS will retain minority shareholder interests in CFT should it proceed to complete the tender offer.

ATS will finance the tender offer through a combination of cash on hand and drawing down on its revolving credit facility.

Following completion of the tender offer, CFT will continue to operate through its established operational facilities and headquarters that ATS intends to maintain in Italy.

### **Tender Offer Supported by Major Shareholders**

ATS has entered into an agreement with certain major shareholders of CFT, currently representing 38.5% of CFT's outstanding ordinary share capital and 60.6% of related voting rights, wherein such shareholders have agreed to irrevocably submit their shares to the tender offer.

### **Advisors**

UniCredit S.p.A. is acting as lead financial advisor to ATS on this transaction. TD Securities is also acting as financial advisor to ATS. Clifford Chance is acting as legal counsel to ATS.

### **Conference Call and Webcast**

ATS will host an analyst conference call and accompanying webcast to discuss the transaction at 8:30 a.m. Eastern on Monday December 7, 2020. The presentation and webcast can be accessed live at [www.atsautomation.com](http://www.atsautomation.com). To participate in the conference call, please dial (647) 427-7450 five minutes prior. A replay of the conference will be available on the ATS website following the call. Alternatively, a telephone recording of the call will be available for one week (until midnight December 14, 2020) by dialing (416) 849-0833 and entering passcode 8485216 followed by the number sign.

### **About ATS**

ATS is an industry-leading automation solutions provider to many of the world's most successful companies. ATS uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services, including pre-automation and after-sales services, to address the sophisticated manufacturing automation systems and service needs of multinational customers in markets such as life sciences, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas. Founded in 1978, ATS employs approximately 4,200 people at 20 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China. The Company's shares are traded on the Toronto Stock Exchange under the symbol ATA. Visit the Company's website at [www.atsautomation.com](http://www.atsautomation.com).

### **About CFT S.p.A.**

CFT S.p.A. is the operational holding company of the CFT Group, active in Italy and abroad in the design, development and production of turn-key machines and systems for the food and beverage sector. The company was founded in 1945, and is headquartered in Parma, Italy. CFT supports its global customer base through market leading brands, eight facilities and over 900 employees. The company's shares are traded on the AIM Italia stock exchange under the symbol CFT. Visit the Company's website at <https://www.cft-group.com> for more details.

### **Note to Readers: Non-IFRS measures:**

This news release uses the non-IFRS measures EBITDA, 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 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 CFT 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.

#### **Forward-Looking Statements:**

This news release contains 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 CFT, or developments in either ATS' or CFT's business or in their 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 in this press release relate to, among other things: statements with respect to completion of and timing for completion of the tender offer, statements with respect to the anticipated benefits and costs of the proposed acquisition of CFT, including the growth of the market CFT serves and CFT's positioning to meet demand, expectations relating to CFT revenue and EBITDA margin, expectations relating to ATS' return on invested capital and synergies associated with the proposed acquisition of CFT; and expectations regarding ATS support for CFT, integration and deployment of the ATS Business Model. The risks and uncertainties that may affect forward-looking statements include, among others: performance of the market sectors that CFT and ATS serve; the progression of COVID-19 and its impacts on the Company's and CFT's ability to operate their respective assets, including the possible shut-down of facilities due to COVID-19 outbreaks; the severity and duration of the COVID-19 pandemic in all jurisdictions where the Company and CFT conduct business; the nature and extent of government imposed restrictions on travel and business activities and the nature, extent, and applicability of government assistance programs, in both cases related to the COVID-19 pandemic, as applicable in all jurisdictions where the Company and CFT conduct business; the impact of the COVID-19 pandemic on the Company's and CFT's employees, customers, and suppliers; the impact of COVID-19 on the global economy; general market performance including capital market conditions and availability and cost of credit; 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; 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 CFT'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 CFT 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 CFT's markets; that growth in markets CFT serves is less than expected; risks relating to legal proceedings to which CFT 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.

There can be no assurance that the proposed acquisition of CFT will occur or that the anticipated benefits and effects of the transaction will be realized. The tender offer is subject to various approvals and the fulfillment of certain conditions and there can be no assurance that any such approvals will be obtained and/or any such conditions will be met. The tender offer could be modified, restructured or terminated.

The forward-looking statements in this document are, unless otherwise indicated, stated as of the date hereof and are presented for the purpose of assisting investors and others in understanding the proposed acquisition, our future operations if the tender offer is completed, our financial position and results of operations as well as our objectives and strategic priorities, and may not be appropriate for other purposes. 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.

**For more information, contact:**

Shereen Zahawi, Director Investor Relations  
(519) 653-6500  
szahawi@atsautomation.com