

ATS

Build. Grow. Expand.

BioDot, Inc. ACQUISITION

TSX: ATA

April 14th, 2021

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 BioDot Inc. ("BioDot") serves and BioDot's positioning to meet demand; expectations relating to BioDot revenue and EBITDA margin; expectations relating to ATS' return on invested capital associated with this investment; and expectations regarding ATS support for BioDot, 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 BioDot 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 BioDot'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 BioDot 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 BioDot's markets; that growth in markets BioDot serves is less than expected; risks relating to legal proceedings to which BioDot 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.

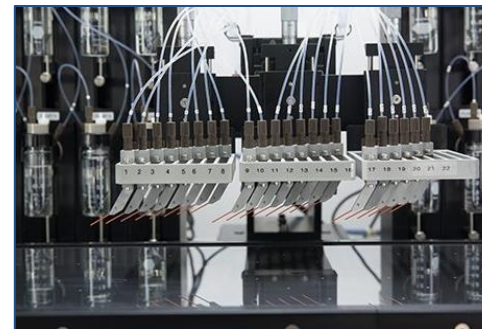
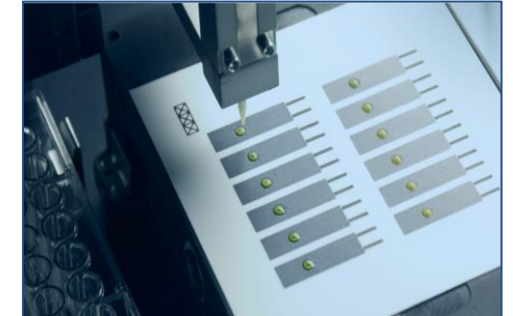
Non-IFRS Measures: This presentation uses the non-IFRS measures EBITDA, EBITDA margin, and return on invested capital associated with this investment. These terms do not have any standardized meanings prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. 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 BioDot 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.

ATS to Acquire BioDot for US\$84mm



- Global manufacturer of precise, low volume fluid dispensing systems with proprietary technology and deep customer relationships
- Expands ATS Life Sciences offerings in existing and adjacent markets through the addition of an extensive product portfolio
- Strongly positioned in point-of-care diagnostics, growing presence in lab automation (clinical diagnostics), genomics and other segments of life sciences
- Attractive deal economics with compelling synergy potential

B I O D O T



Transaction Highlights

Transaction Details

- **Purchase Price:** US\$84mm (~C\$106mm)
 - 9.7x FY2022 expected EBITDA (8.4x including Year 3 synergies)⁽¹⁾
 - 5.6x FY2020 EBITDA of US\$15mm
- **Funding:** Debt (revolving credit facility)
- **Pro-forma Leverage:** 2.1x Net Debt / LTM EBITDA
- **Estimated Close:** Calendar Q2, 2021⁽²⁾

Strategic Rationale

- Expands ATS Life Sciences capabilities in point-of-care (PoC) and clinical diagnostics applications
- Innovative products with differentiated technologies
- Compelling recurring revenue opportunity (consumables & aftermarket services)
- Strong financial performance

Financial Benefits

- **Meaningful Synergies Expected by Year 3**
 - Cost synergies ~US\$1.5mm (supply chain, operating efficiencies)
 - Revenue synergies ~US\$1.0mm (cross-selling, joint-innovation)
- **EPS / CFPS Impact:** Accretive in Year 1
- **ROIC:** ROIC > Cost of Capital by Year 3; Double digit ROIC target by Year 4

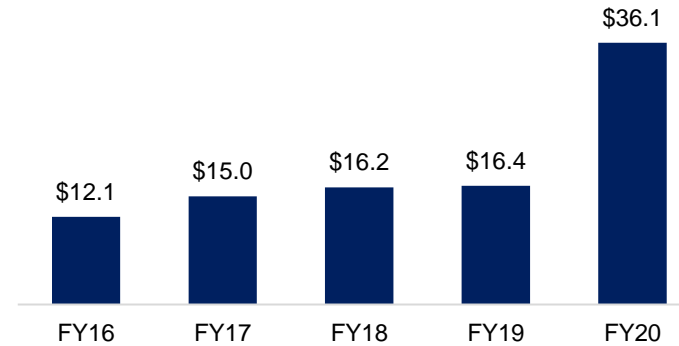
BioDot Overview



- Founded in 1994 and based in Irvine, California
- Manufacturer of mission-critical, ultra-low volume, premium, non-contact and quantitative fluid dispensing and lab automation systems
- Serves customers in PoC & clinical diagnostics, genomics and other segments of life sciences
- Full spectrum of products addresses customer needs in R&D, pilot production, and rapid, high-volume production
- 2 manufacturing facilities in US; 94 employees

Attractive Financial Profile

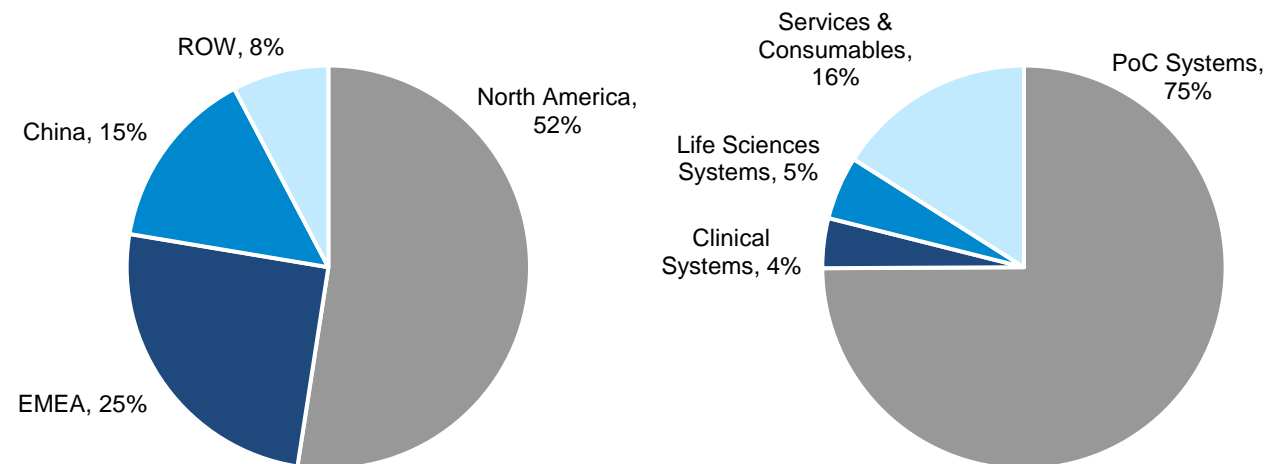
Figures in US\$ Millions ⁽¹⁾



ATS Outlook FY2022+

- Market Growth → HSD
- EBITDA Margin → 20%+
- Capex to Sales → < 1%





















Diversified Revenue Stream ⁽²⁾



1) FY16 figure represents fiscal year ended Oct. 31, 2016; FY17-FY20 figures represent Dec. 31 fiscal year end; 2) Revenue breakdown based on FY2020 financials

BioDot Market Opportunity



Core	 Lateral Flow (Point-of-Care)	 Biochips (Point-of-Care)	 Clinical	 Life Sciences & Genomics	Emerging
2020-24 TAM ⁽¹⁾	~US\$500mm	~US\$160mm	~US\$265mm	~US\$1.2bn	
2020-24 CAGR ⁽¹⁾	Mid-single Digit	Double Digit	High-single Digit	Double Digit	
BioDot's Offering	<ul style="list-style-type: none"> Products used to place critical reactive substance precisely onto specific locations on membrane 	<ul style="list-style-type: none"> Products used to dispense to miniature test sites, which allow several tests to be performed simultaneously 	<ul style="list-style-type: none"> Products used to dispense a consistent number of cells in several wells on a single slide 	<ul style="list-style-type: none"> Precision dispensing is used to ensure single cells are deposited into reaction containers 	
Market Drivers	<ul style="list-style-type: none"> Virtualization of healthcare Transition toward at-home/near-patient testing 	<ul style="list-style-type: none"> Need to perform multiple tests on a single sample Shift to dedicated production lines 	<ul style="list-style-type: none"> Shift toward molecular diagnostics Market consolidation 	<ul style="list-style-type: none"> Growth of single cell genomics in research apps Growth in precision medicine 	
Applications	<ul style="list-style-type: none">  Pregnancy / fertility  Infectious disease  Food testing  Point of care diagnostics  Drugs of abuse  Veterinary 	<ul style="list-style-type: none">  Point of care diagnostics  Proteomics  Cancer diagnostics  Genomics 	<ul style="list-style-type: none">  Cancer diagnostics  Cancer therapy guidance  Genetic / reproductive health testing 	<ul style="list-style-type: none">  Genomic sequencing  Single cell cloning  Co-culturing assays 	







1) Industry Reports, ATS estimates

Strategic Rationale



- Addition of premium & proprietary product portfolio in fluid dispensing technology
 - ~20 patents
- Increases penetration in growing PoC and clinical diagnostics end markets and improves geographic reach
- Attractive recurring revenue opportunity from growing consumables + aftermarket services (~40% by FY2023)⁽²⁾
- Revenue synergies through cross-selling and joint development
- Strong profitability with further upside

Selected Synergy Opportunities

Commercial	 	<ul style="list-style-type: none">• Leverage early customer entry point to provide turnkey automation solutions
Digital	  CellWriter™ 5	<ul style="list-style-type: none">• Enable continuous monitoring of the use of systems placed in labs
Operational	 	<ul style="list-style-type: none">• Supply chain optimization• Leverage ATS REM ⁽¹⁾ capabilities to reduce cost & improve delivery

 **BUSINESS MODEL**

Drive Continuous Improvement Mindset

1) REM = Repetitive Equipment Manufacturing; 2) Based on ATS projections for FY2023

Application of the ATS M&A Playbook



What We Look For

B I O D O T

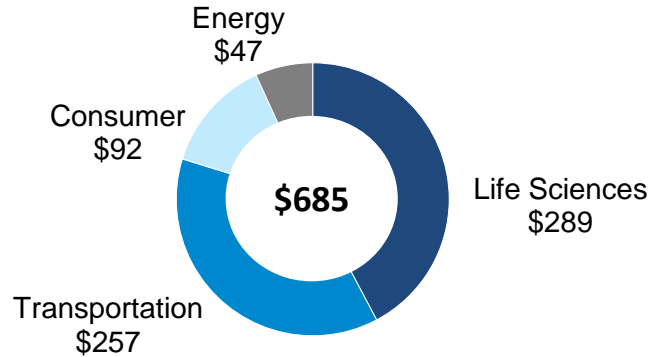
Attractive Markets	<ul style="list-style-type: none"> Growth oriented Low cyclical Regulated spaces 			<ul style="list-style-type: none"> US\$925mm addressable market with upside from emerging end markets Well-positioned to capitalize on transition towards near-patient and at-home testing Strict industry and government regulations
Strategic Value	<ul style="list-style-type: none"> Differentiated technology Innovative products Niche applications Geographic penetration Brand 			<ul style="list-style-type: none"> A globally recognized brand with differentiated technologies Broadens ATS presence in key life sciences markets Track record of innovation
Operational Fit	<ul style="list-style-type: none"> Ability to manage Synergy potential ABM implementation 			<ul style="list-style-type: none"> Experienced and motivated leadership team Commercial and operational synergies Leverage ABM to drive growth & operational efficiencies
Financial Returns	<ul style="list-style-type: none"> Recurring revenue Strong EBITDA Profile ROIC > Cost of capital EPS / Cash Flow accretion 			<ul style="list-style-type: none"> High recurring revenue potential Strong profitability Double digit ROIC target by Year 4 EPS & Cash flow accretive in Year 1

On the Move to Higher Value and Higher Growth



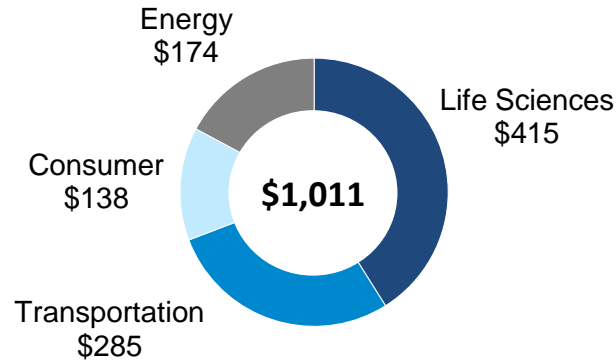
2013 ⁽¹⁾

Figures in Millions



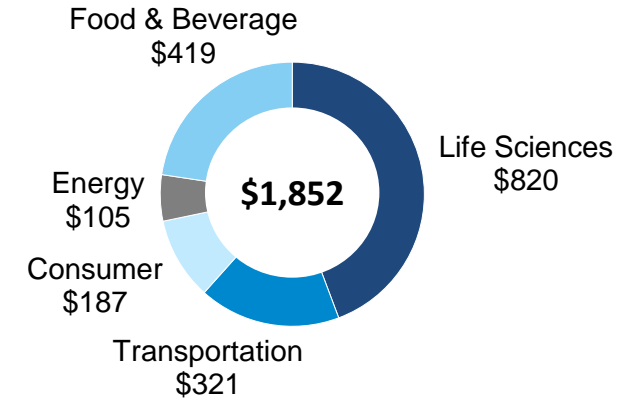
2016 ⁽¹⁾

Figures in Millions



Pro-Forma Today ⁽¹⁾

Figures in Millions



Life Sciences Acquisitions

Food & Beverage Acquisitions

2013 - 2015

- for ~\$355mm
- for ~\$137mm
- Exit ATS-Wickel

2018

- for ~\$172mm

2019 - Today

- for ~\$106mm
- for ~\$260mm
- for ~\$57mm
- Exit ATW Germany



1) Shows revenue split by period. 2013 split based on ATS FY2014 financials. 2016 split based on ATS FY2017 financials. Pro-Forma today split based on LTM ATS, CFT and BioDot financials



Attractive industry fundamentals with BioDot holding a leading position in its key end markets



Transaction broadens ATS Life Sciences offerings through the addition of a differentiated product portfolio



Strong margin profile & compelling recurring revenue opportunity driven by consumables + aftermarket services



Accretive to EPS / CFPS in Year 1 and targeting double digit ROIC by Year 4

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