

# ATS

**Build. Grow. Expand.**

Investor Presentation  
August 2021

# Forward Looking Statements & Non-IFRS Measures

Notice to Reader: 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 including those related to the COVID-19 pandemic 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, target ranges for working capital and leverage. The risks and uncertainties that may affect forward-looking statements include, among others, the duration and impact of the COVID-19 pandemic, general market performance, performance of the Canadian dollar, performance of the market sectors that ATS serves, success and impact of the initiatives that ATS is undertaking, that ATS will not achieve or maintain its target ranges for working capital and leverage, and other risks and uncertainties detailed from time to time in ATS' filings with Canadian provincial securities regulators, including ATS' Annual Report and Annual Information Form for the fiscal year ended March 31, 2021. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and 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 "adjusted EBITDA", "adjusted EBITDA margin", "non-cash working capital", "Order Bookings" and "Order Backlog". 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. Adjusted EBITDA is defined as earnings from operations excluding depreciation and amortization before items excluded from management's internal analysis of operating results, such as amortization expense of acquisition-related intangible assets, acquisition-related transaction and integration costs, restructuring charges, and certain other adjustments which would be non-recurring in nature. Adjusted EBITDA margin is an expression of an entity's adjusted EBITDA as a percentage of revenues. Non-cash working capital is defined as the sum of accounts receivable, contract assets, inventories, deposits, prepaids and other assets, less accounts payable, accrued liabilities, provisions and contract liabilities. Order Bookings represents new orders for the supply of automation systems, services and products that management believes are firm. Order Backlog is the estimated unearned portion of revenues on customer contracts that are in process and have not been completed at the specified date. Management believes that ATS shareholders and potential investors in ATS use these non-IFRS financial measures in making investment decisions and measuring operational results.

# ATS at a Glance

**ATA**

TSX

**5,000+**

Employees

**28**

Facilities

**50+**

Offices

**22**

Countries



**~C\$3.4bn**

Mkt. Cap<sup>1</sup>

**C\$1.6bn**

Revenue (TTM)

**C\$239mm**

Adj. EBITDA (TTM)

**14.8%**

Adj. EBITDA  
Margin (TTM)

**1.7x**

Net Leverage

**9.1%**

4-yr Rev. CAGR

**6.2%**

4-yr Organic Rev. CAGR

**15.8%**

4-yr Adj. EBITDA CAGR

<sup>1</sup> As of Aug 4, 2021

A decentralized global technology and automation solutions provider

# What We Do



## Products & Components

10% of Revenue

ATS developed products & components (hardware / software)

### Examples

SuperTrak™ - revolutionary pallet transport system  
 Illuminate™ Factory Floor Management System  
 ATS Smartvision software  
 MARCO LineMaster - IoT enabled weighing scale



## Automation & Integration Solutions

60% of Revenue

Standalone machines, complete systems & Enterprise programs

### Examples

High speed tube filling  
 Semi-autonomous food weighing & handling  
 Battery & EV motor assembly and test lines  
 High speed assembly lines for inhalers / IV sets



## Services

30% of Revenue

Front-end design & analysis, after-market services (retooling / retrofitting, supply chain management, maintenance)

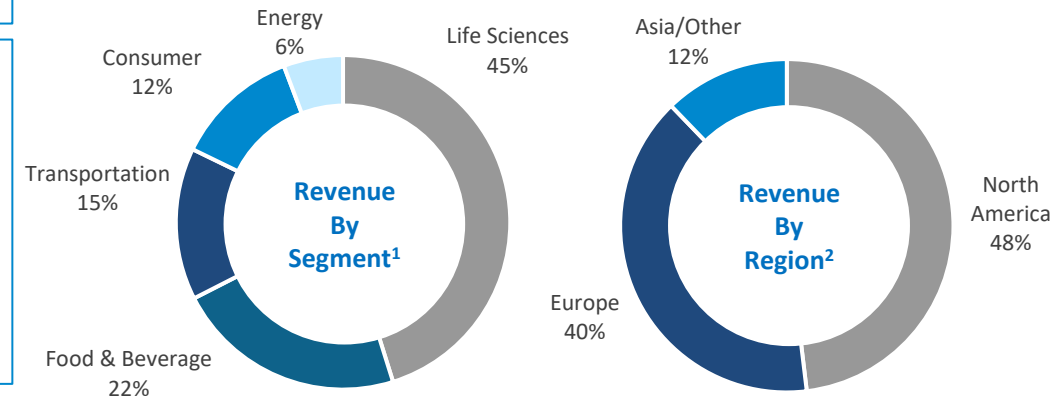
### Examples

Retrofit of nuclear power plants  
 Remote diagnostics  
 Process optimization  
 Preventative maintenance  
 Emergency and on-call support

## ATS Brands



## Diversified Customer & Revenue Base





<sup>1</sup> Based on Q1-F2022 revenues; <sup>2</sup> Based on F2021

End-to-end solutions to transform, streamline, and optimize customer operations

# Large Total Addressable Market, with Attractive Long Term Secular Trends

## Strategically Positioned in Attractive Markets

	Market Size <sup>1</sup>	F21 Sales (C\$ mm)	LT Market Growth <sup>1</sup>	Focus Areas
<i>Life Sciences</i> 	\$10bn	\$805mm	MSD	<ul style="list-style-type: none"> <li>Medical Devices</li> <li>Pharmaceuticals</li> <li>Radiopharmaceuticals</li> <li>Chemicals</li> </ul>
<i>Transportation</i> 	\$11	\$272	LSD	<ul style="list-style-type: none"> <li>EV/Hybrid</li> <li>Automotive</li> <li>Aerospace</li> </ul>
<i>Consumer</i> 	\$25	\$238	LSD / MSD	<ul style="list-style-type: none"> <li>Food &amp; Beverage</li> <li>Warehouse Automation</li> <li>Personal Care</li> <li>Cosmetics</li> </ul>
<i>Energy</i> 	\$16	\$114	LSD	<ul style="list-style-type: none"> <li>Nuclear</li> <li>Solar</li> </ul>
<b>Total:</b>	<b>\$62bn</b>	<b>\$1,430mm</b>		

## Levered to Positive Secular Trends

De-risking of Manufacturing and Supply Chains

Increasing Complexity of Automation Ecosystem

Demand for Safety and Reliability

Market Size is total automation market. Not all part of current ATS addressable markets.

<sup>1</sup> Industrial Automation Equipment IHS 2017; ARC 2016; VDW; Intechno; Markets and Markets 2015; BCC Research 2015; Gartner 2014; BCG; Company analysis

Target growth in attractive market verticals

# Diversified Customer Base



## Life Sciences

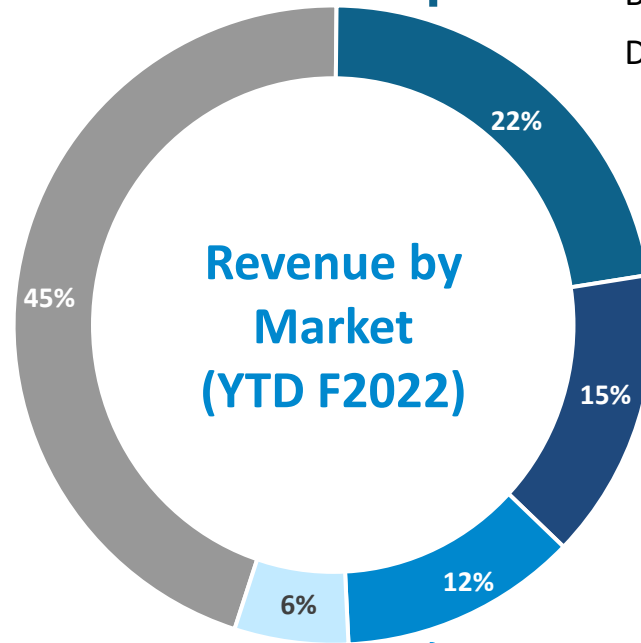
Medical Devices  
Chemicals

Radiopharmaceuticals  
Pharmaceuticals



## Energy

Nuclear  
Solar



## Food & Beverage

Fresh Produce  
Beer and Other Beverages  
Dairy



## Transportation

EV/Hybrid  
Automotive  
Aerospace



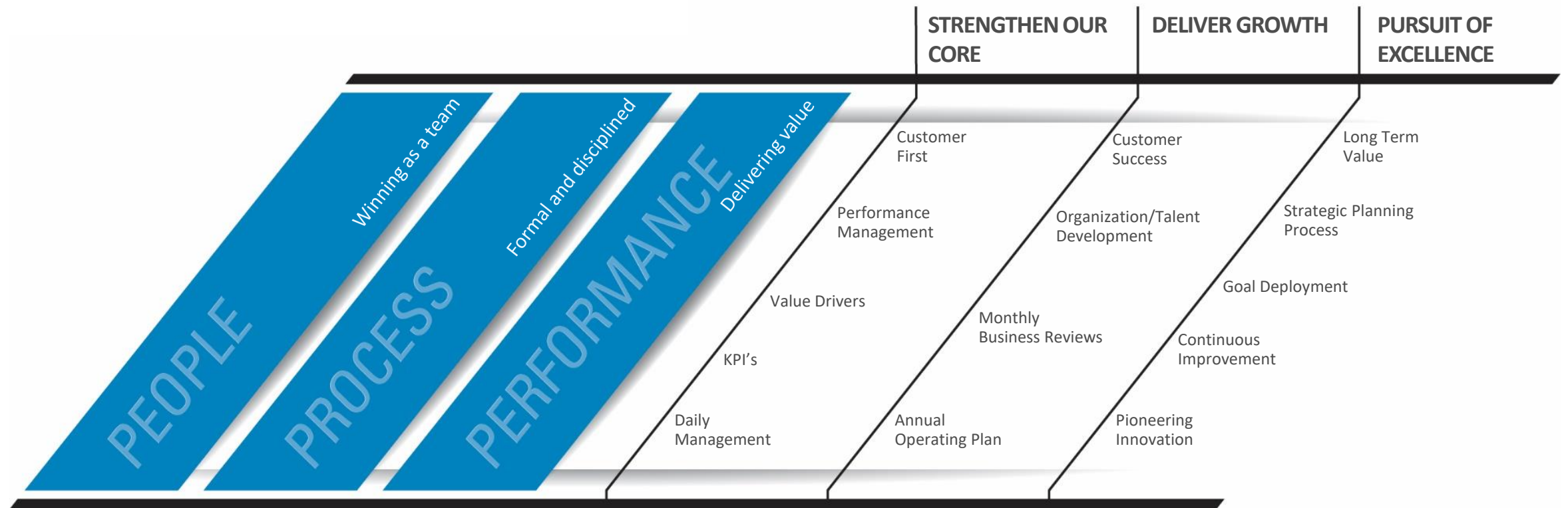
## Consumer

Warehouse Automation  
Cosmetics  
Personal Care



Repeat customers represent >85% of Order Bookings

# Application of ATS Business Model (ABM) **Drives** Innovation and Operating Improvement



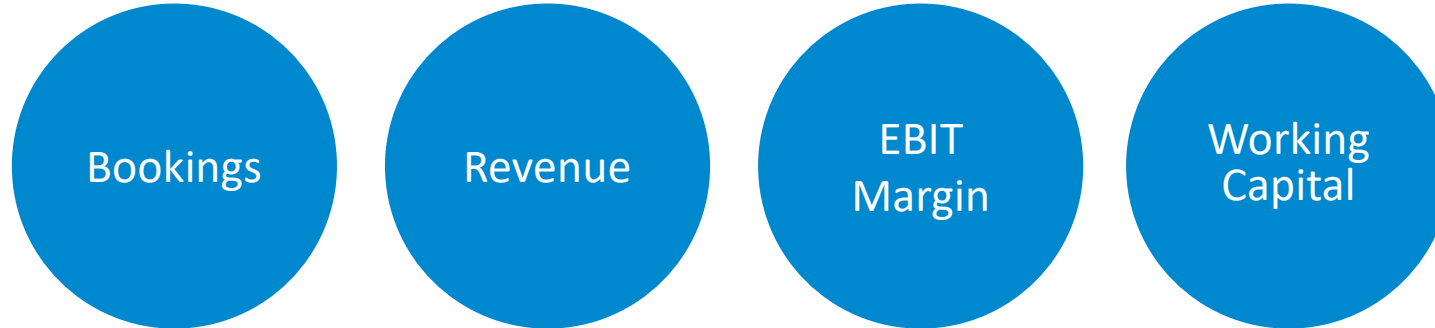
Repeatable model to drive performance and growth

# Application of ATS Business Model (ABM) **Drives** Innovation and Operating Improvement

## The 8 Value Drivers

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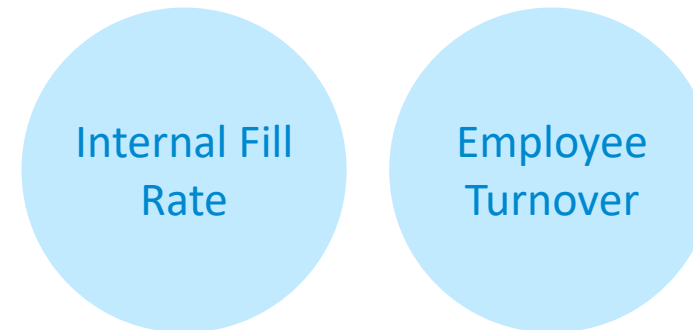
### Financial:



### Customer:



### People:



Continuous Improvement

Standardized performance measurement across all business units



# Expanding Presence in Strategic Core Markets

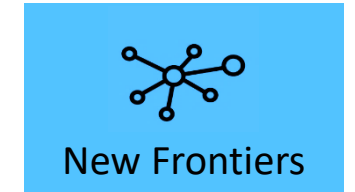
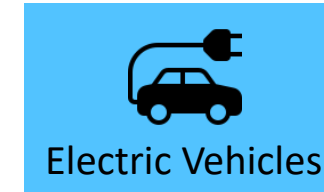
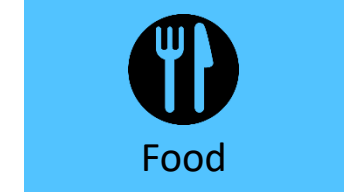
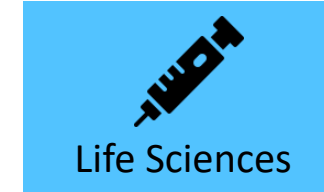
## Attractive Markets

### Barriers to Entry:

- Regulated environments
- Technologically intense
- Complex processes
- Quality critical

### Market Dynamics:

- Life Sciences: demographics, new treatments, new ailments, disposables
- Food: government regs, quality, demographics
- EV: government regs, CO<sup>2</sup> reduction
- New frontiers, factory optimization, digitization



## Enablers



### INNOVATION

Differentiated technologies / products



### DIGITAL GROWTH

IIOT, serialization, predictive maintenance, real-time optimization



### STRATEGIC M&A

Strengthen and expand portfolio

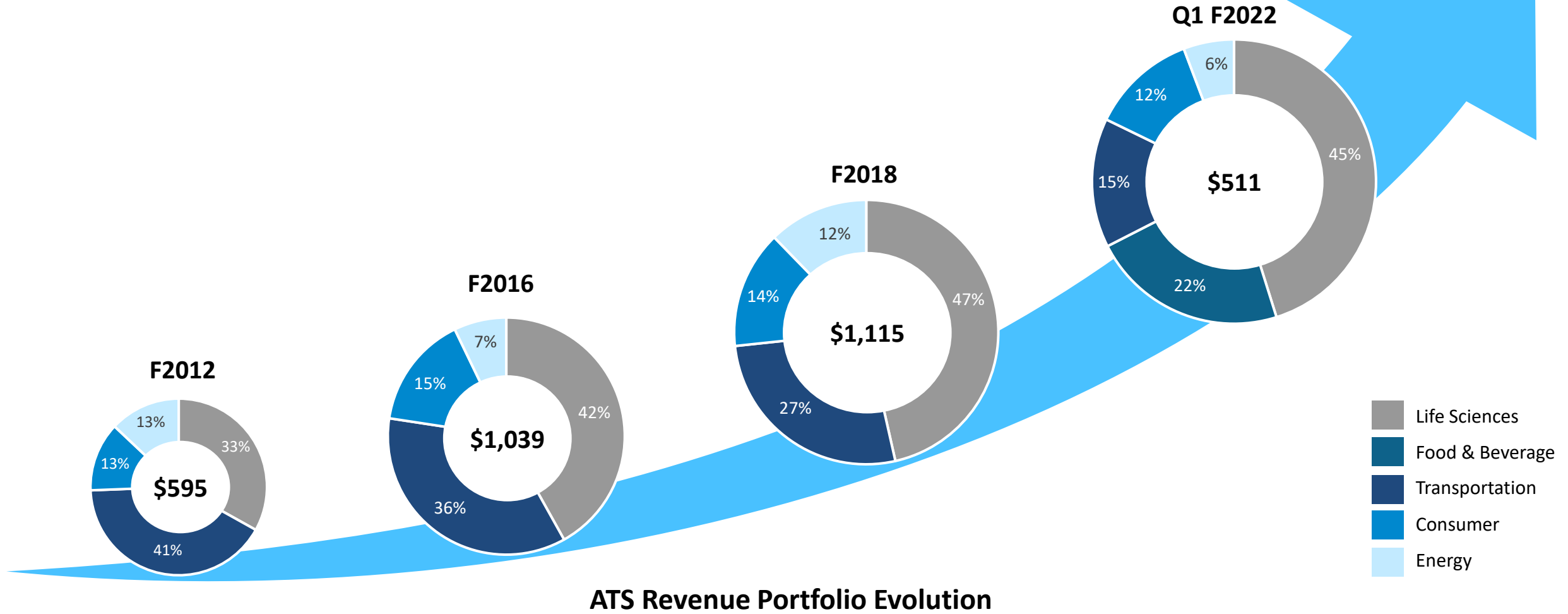


### MARGIN IMPROVEMENT

Standardization, supply chain, operational leverage, after-sales services growth, ABM

Targeting attractive markets with high barriers to entry and strong secular growth drivers

# Deliberate Portfolio Transformation towards High Growth and Low Cyclical End Markets



(C\$ mm)

10 Steady and high growth life sciences business represents majority of sales and backlog

# Targeting End Markets with Favourable Tailwinds

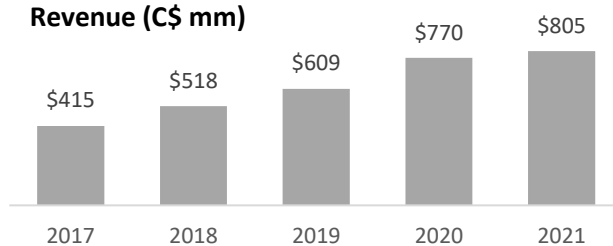


## Life Sciences – 45% of YTD F22 sales

### Trends / Opportunities

- Favorable demographics
- Robust new product pipeline
- Focus on quality, cost rationalization and efficiency

Revenue (C\$ mm)

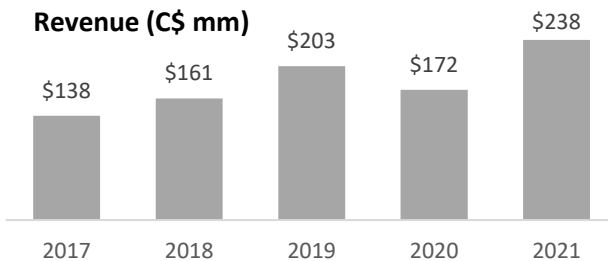


## Food / Consumer – 34% of YTD F22 sales

### Trends / Opportunities

- Growing middle class (emerging markets)
- New products/rapid design and scale
- Significant investment in production capacity

Revenue (C\$ mm)

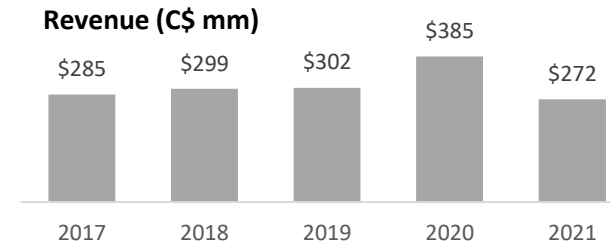


## Transportation – 15% of YTD F22 sales

### Trends / Opportunities

- EV shift (75% of ATS' Transport business is levered to EV)
- Record number of launches
- Standardized automation globally

Revenue (C\$ mm)

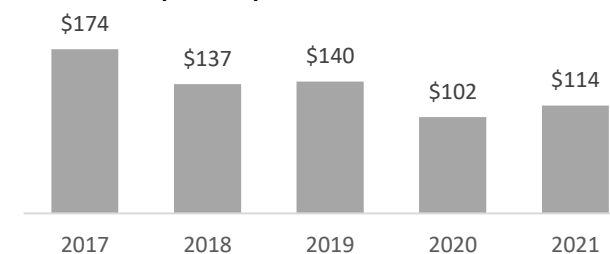


## Energy – 6% of YTD F2022 sales

### Trends / Opportunities

- Increasing global demand for clean energy
- Major tooling and equipment life cycle management
- Nuclear decommissioning and solar

Revenue (C\$ mm)



Numerous opportunities across segments for stable growth

# Capital Allocation Focused on Expanding Positions in Regulated Markets & Compounding Growth Through M&A

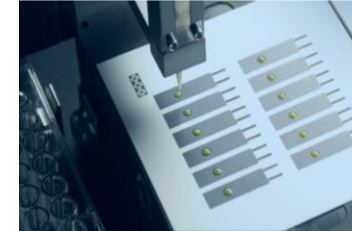
## What We Look For

Targeting Value Creation in Attractive Markets	<b>Attractive Markets</b>	<ul style="list-style-type: none"> <li>■ Growth orientated</li> <li>■ Low cyclicality</li> <li>■ Regulated spaces</li> </ul>
	<b>Strategic Value</b>	<ul style="list-style-type: none"> <li>■ Differentiated technology</li> <li>■ Innovative products</li> <li>■ Niche applications</li> <li>■ Geographic penetration</li> </ul>
	<b>Operational Fit</b>	<ul style="list-style-type: none"> <li>■ Ability to manage</li> <li>■ Synergy potential</li> <li>■ ABM implementation</li> </ul>
	<b>Financial Returns</b>	<ul style="list-style-type: none"> <li>■ ROIC &gt; Cost of capital</li> <li>■ Strong EBITDA potential</li> <li>■ Recurring revenue</li> <li>■ EPS accretion</li> </ul>

## Recent Acquisitions

**B I O D O T**

Acquired: Jun 2021  
Price: US\$84mm



✓ Life Sciences



Acquired: Mar 2021  
Price: ~C\$260mm



✓ Food



Acquired: Feb 2019  
Price: €113mm



✓ Life Sciences

## Other Acquisitions

### BLSG

Process Engineering Consultant  
Acquired: Aug 2021

### CIM

Industrial Automation System Integrator  
Acquired: Jun 2021

### inimco

Digital and analytic solutions  
Acquired: Nov 2020

### MARCO

Food yield control solutions  
Acquired: Dec 2019

Disciplined approach to deploy capital for strategic M&A

# M&A Success Story – COMECER

## Background:

- Acquired in Feb 2019
- Leading manufacturer of shielding equipment for radio-pharma & aseptic production
- HQ in Castel-Bolognese, Italy
- Purchase price €113mm, 2018 Sales of €67mm

## Acquisition Rationale:

- New & highly complementary technological capabilities
- Comecer – Strong in isolation; ATS – Strong in automation
- Entry into the regulated Radio-pharma and Pharma sectors
- Opportunities for cost & revenue synergies

### Performance Since Acquisition<sup>(1)</sup>

Book-to-Bill<sup>(2)</sup>

+20%



Cross-Selling Opportunities

Operating Margin

+300bps



ABM Driving Execution and Synergies

Aftermarket<sup>(3)</sup>

+200bps



Expanding Aftermarket Services

<sup>1</sup> Based on LTM figures (period ending Oct 31, 2020)

<sup>2</sup> Current vs. average book-to-bill from 2014 to 2018

<sup>3</sup> Pre-COVID-19 basis

# Recent Acquisition of CFT is the Next Step in Executing ATS' M&A Strategy



- CFT Group is a global supplier of processing and packaging automation equipment
- Strongly positioned in attractive fresh produce sorting, processing, and packaging niches
- Adds complementary technologies that can be combined to create unique market offerings
- Attractive deal economics with strong synergy potential
- **Purchase Price:** €4.60 per share, Enterprise value €166mm (~C\$260mm)
- **Transaction Close:** March 2021



# CFT Overview

## Business Overview

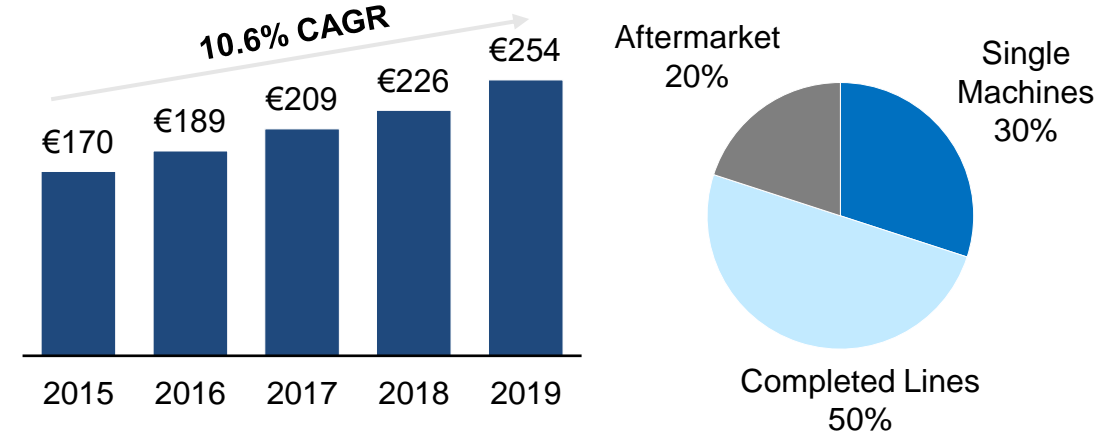
- Established in 1945 and based in Parma, Italy
- Global supplier of processing and packaging equipment to the Food & Beverage industry
- Leading brands in attractive market segments
- Global operations with 8 facilities in Italy, Spain, Germany and Ukraine
- 900+ employees

## Strong Brand Portfolio



## Attractive Revenue Profile

Figures in Millions



## Diversified Customer & Revenue Base



Note: CFT financial information presented for illustrative purposes & has been derived solely from publicly available information of CFT.

<sup>1</sup> Other includes Central & South America (6%) and Oceania (1%)

Growing business focused on attractive markets

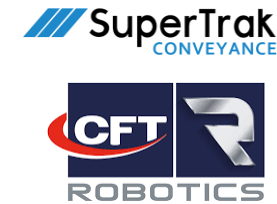
# Compelling Strategic Rationale

## Strategic Rationale

- Platform acquisition into attractive Food & Beverage market
- Technological leadership in niche market areas
  - 140 patents
- Access to multiple elements of the value chain, creating cross-selling opportunities
- Synergies through technology sharing and joint development
- Opportunities to significantly enhance margins
  - Application of ATS Business Model to drive supply chain and operational synergies

## Selected Synergy Opportunities

### Material Handling



ATS automation expertise to accelerate CFT's robotics development

### Optical Sorting and Inspection



MARCO and Raytec's commercial overlap drives customer opportunities

### Liquid Filling



Leverage CFT aseptic filling across multiple ATS platforms

 **BUSINESS MODEL**

Drive Continuous Improvement Mindset

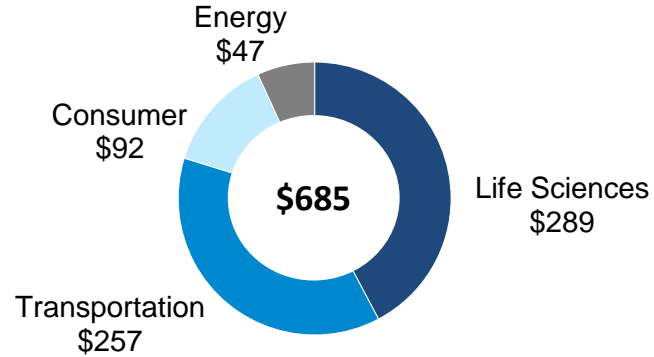
Numerous levers to drive significant value creation



# On the Move to Higher Value and Higher Growth

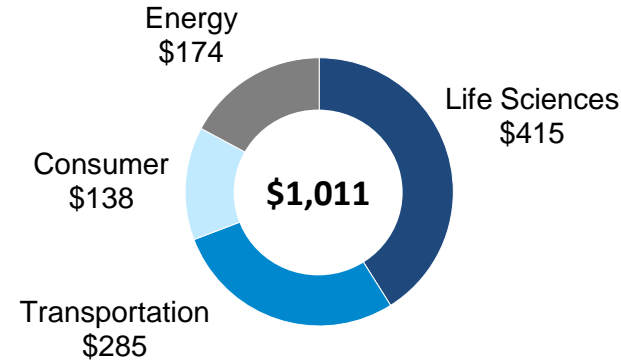
## 2013 Revenue Profile (1)

Figures in C\$ mm



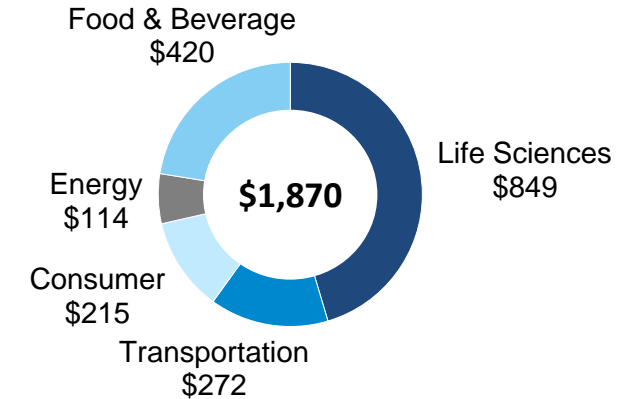
## 2016 Revenue Profile (1)

Figures in C\$ mm



## ATS Pro-Forma Today (1)

Figures in C\$ mm



<sup>1</sup> 2013/2016 split based on ATS F2014/F2017 financials. Pro-Forma split based on F21 financials for ATS, and F20 financials for CFT and BioDot.

## Acquisitions

Figures in C\$ mm

- Life Sciences
- Food & Beverage

### 2013 - 2015

- PA SOLUTIONS for ~\$355mm
- IWK for ~\$137mm
- Exit ATS-Wickel

### 2018

- COMECER for ~\$172mm

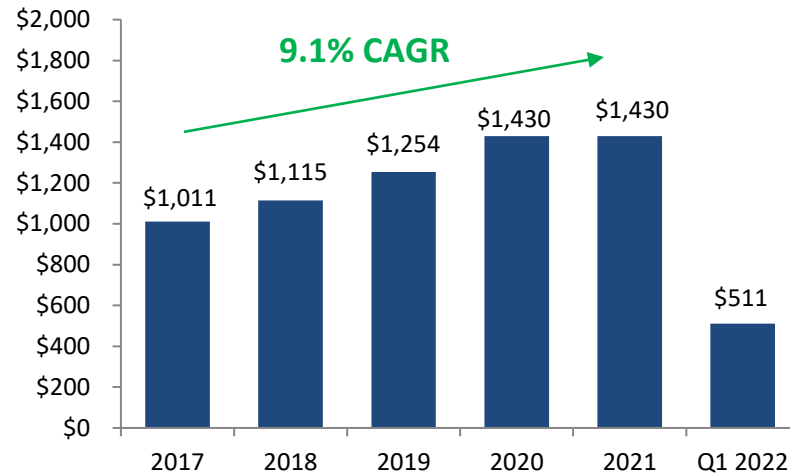
### 2019 - Today

- BIO DOT for ~\$106mm
- CFT for ~\$260mm
- MARCO for ~\$57mm
- Exit ATW Germany

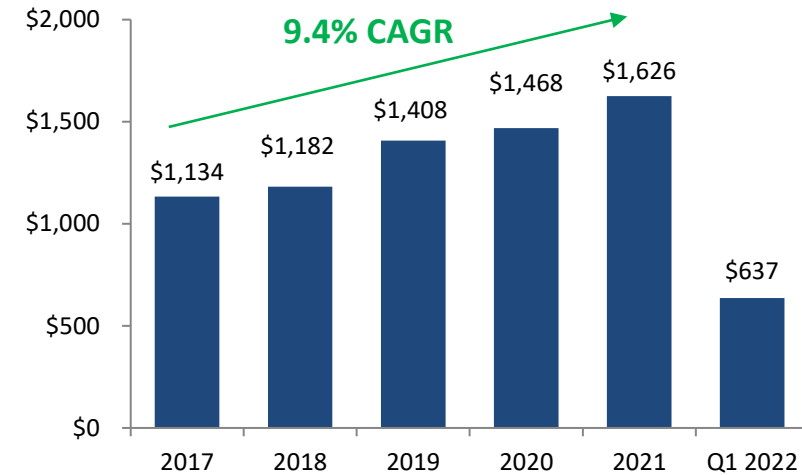
Focused on growing and resilient end markets

# Strong Track Record of Revenue Growth and Margin Expansion, with Low Capex Requirements

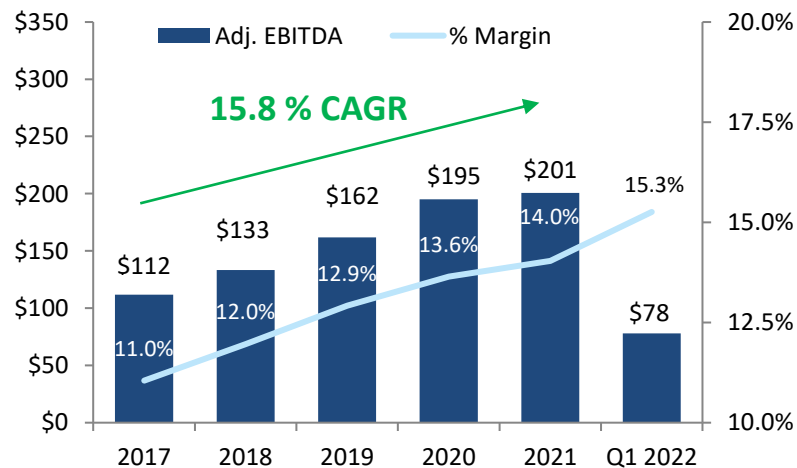
Revenues (C\$ mm)



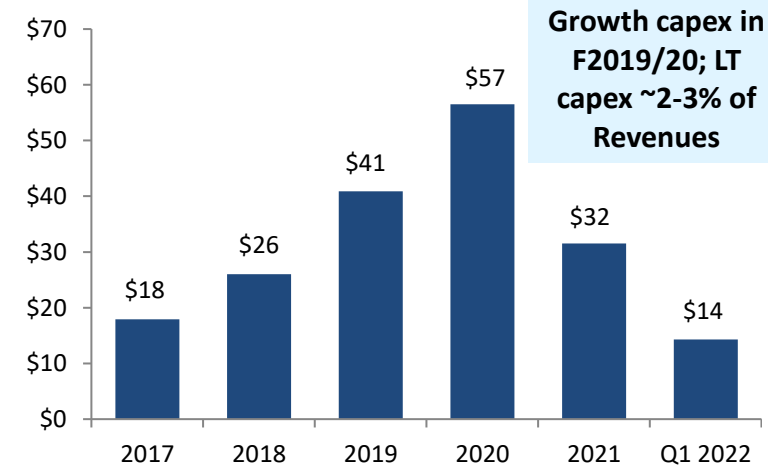
Order Bookings (C\$ mm)



Adj. EBITDA<sup>1</sup> (C\$ mm)



Capex<sup>2</sup> (C\$ mm)

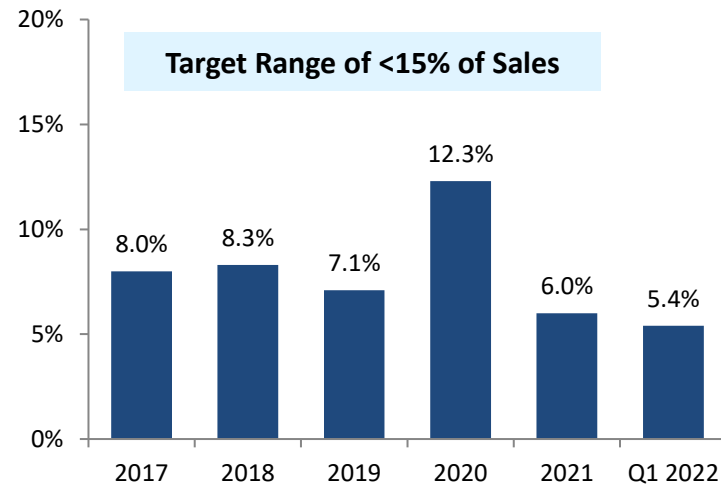


<sup>1</sup> Adjusted EBITDA is adjusted for items excluded from management's internal analysis of operating results. <sup>2</sup> Includes capex and acquisition of intangibles.

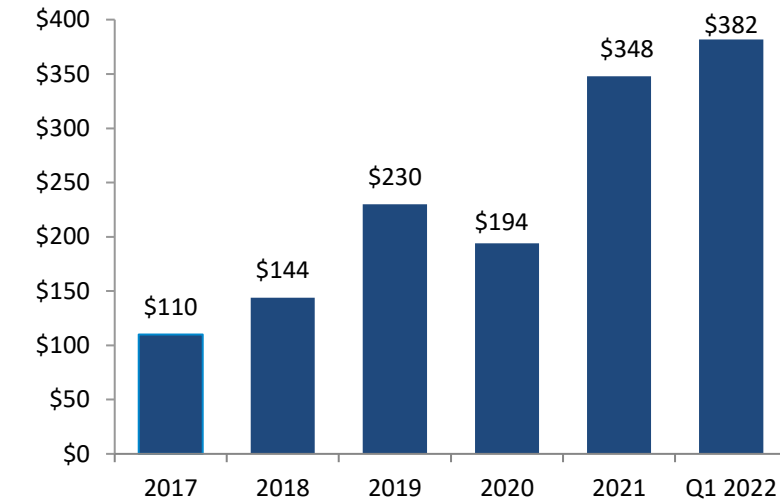
Strong execution and focus on attractive markets

# Robust FCF Generation and Strong Working Capital Management

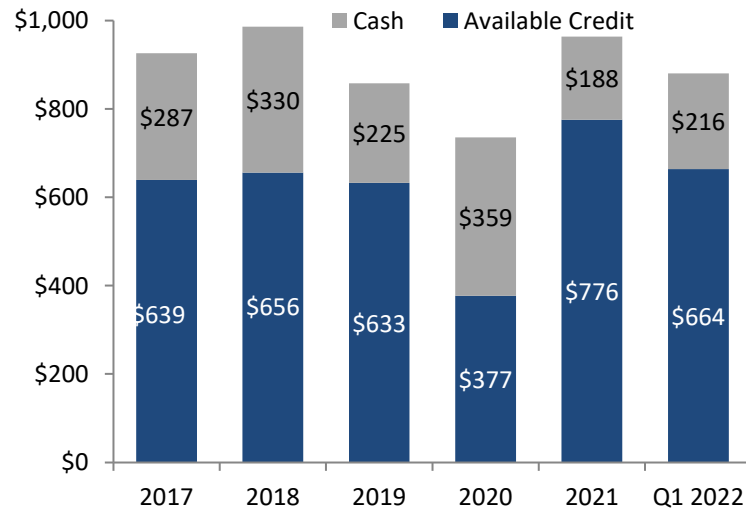
## Working Capital as a % of Revenues



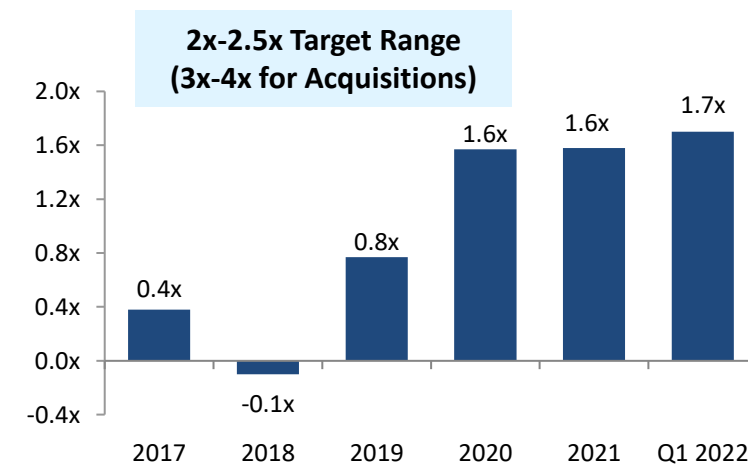
## Cumulative FCF Since 2017<sup>1</sup> (C\$ mm)



## Liquidity (C\$ mm)



## Historical Leverage (Net Debt/Adj. EBITDA<sup>2</sup>)



<sup>1</sup> FCF defined as earnings from operations less capex less acquisition of intangibles. <sup>2</sup> Adjusted EBITDA is adjusted for items excluded from management's internal analysis of operating results.

Ample liquidity for strategic acquisitions

# Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures

## **Notice to reader: Non-IFRS measures and additional IFRS measures**

Throughout this presentation management uses certain non-IFRS measures to evaluate the performance of the Company. The terms “adjusted EBITDA”, “adjusted EBITDA margin”, “non-cash working capital”, “Order Bookings” and “Order Backlog” do not have any standardized meaning prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. Such measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Adjusted EBITDA is defined as earnings from operations excluding depreciation and amortization before items excluded from management’s internal analysis of operating results, such as amortization expense of acquisition-related intangible assets, acquisition-related transaction and integration costs, restructuring charges, and certain other adjustments which would be non-recurring in nature (“adjustment items”). Adjusted EBITDA margin is an expression of the Company’s adjusted EBITDA as a percentage of revenues. Non-cash working capital is defined as the sum of accounts receivable, contract assets, inventories, deposits, prepaids and other assets, less accounts payable, accrued liabilities, provisions and contract liabilities. Order Bookings represents new orders for the supply of automation systems, services and products that management believes are firm. Order Backlog is the estimated unearned portion of revenues on customer contracts that are in process and have not been completed at the specified date.

Adjusted EBITDA and adjusted EBITDA margin are used by the Company to evaluate the performance of its operations. Management believes that adjusted EBITDA is an important indicator of the Company’s ability to generate operating cash flows to fund continued investment in its operations. The adjustment items used by management to arrive at these metrics are not considered to be indicative of the business’ ongoing operating performance. Management uses the measure non-cash working capital as a percentage of revenues to evaluate the Company’s management of its investment in non-cash working capital. Management calculates non-cash working capital as a percentage of revenues using period-end non-cash working capital divided by trailing two fiscal quarter revenues annualized. Order Bookings provide an indication of the Company’s ability to secure new orders for work during a specified period, while Order Backlog provides a measure of the value of Order Bookings that have not been completed at a specified point in time. Both Order Bookings and Order Backlog are indicators of future revenues the Company expects to generate based on contracts that management believes to be firm. Management believes that ATS shareholders and potential investors in ATS use these additional IFRS measures and non-IFRS financial measures in making investment decisions and measuring operational results.

A reconciliation of Order Bookings and Order Backlog to total Company revenues are contained in this presentation. A reconciliation of adjusted EBITDA to net income, is contained in this presentation.

# Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures

(C\$ mm)	2017	F2018	F2019	F2020	F2021		Q1 F2022	Q1 F2021
<b>Adjusted EBITDA</b>	<b>111.7</b>	<b>133.3</b>	<b>161.9</b>	<b>195.1</b>	<b>200.7</b>		<b>77.9</b>	<b>39.2</b>
Restructuring charges	2.3	11.2	-	26.6	14.3		-	-
Share purchase allowance	2.9	-	-	-	-		-	-
Gain on sale of facility	-	-	-	-	(5.3)		-	-
Acquisition-related transaction costs	-	-	4.7	1.5	6.7		2.1	-
Contingent consideration adjustment	-	-	-	-	(5.6)		-	-
<b>EBITDA</b>	<b>106.5</b>	<b>122.1</b>	<b>157.2</b>	<b>167.0</b>	<b>190.6</b>		<b>75.8</b>	<b>39.2</b>
Less: depreciation and amortization expense	34.6	36.6	42.4	71.4	71.0		23.8	18.1
<b>Earnings from operations</b>	<b>71.9</b>	<b>85.5</b>	<b>114.8</b>	<b>95.6</b>	<b>119.6</b>		<b>52.0</b>	<b>21.1</b>
Less: net finance costs	25.6	23.8	20.9	28.1	40.1		7.5	8.2
Less: provision for income taxes	11.3	14.5	23.1	14.6	15.4		10.6	3.1
<b>Net income</b>	<b>35.0</b>	<b>47.2</b>	<b>70.8</b>	<b>52.9</b>	<b>64.1</b>		<b>33.9</b>	<b>9.8</b>

(C\$ mm)	F2017	F2018	F2019	F2020	F2021	Q1 F2022
Net Debt	(42.0)	12.0	(124.2)	(307.0)	(317.3)	(402.5)
Adjusted EBITDA (LTM)	111.7	133.3	161.9	195.1	200.7	239.4
<b>Historical Leverage (Net Debt/Adj. EBITDA)</b>	<b>0.4x</b>	<b>-0.1x</b>	<b>0.8x</b>	<b>1.6x</b>	<b>1.6x</b>	<b>1.7x</b>

(C\$ mm)	F2017	F2018	F2019	F2020	F2021	YTD F2022
Cash and cash equivalents	286.7	330.2	224.5	358.6	187.5	216.4
Bank indebtedness	(1.4)	(2.7)	(2.0)	(4.6)	(1.1)	(1.0)
Current portion of long-term debt	(1.3)	(0.4)	(18.6)	(0.1)	(0.1)	(2.6)
Long-term debt	(326.0)	(315.1)	(328.2)	(598.0)	(430.6)	(532.3)
Net cash (debt) prior to IFRS 16	(42.0)	12.0	(124.2)	(244.1)	(244.3)	(319.5)
Lease liabilities	-	-	-	(62.9)	(73.0)	(83.0)
<b>Net cash (debt)</b>	<b>(42.0)</b>	<b>12.0</b>	<b>(124.2)</b>	<b>(307.0)</b>	<b>(317.3)</b>	<b>(402.5)</b>

Measure (C\$ mm)	F2017	F2018	F2019	F2020	F2021	Q1 F2022
Opening Order Backlog	652	681	746	904	942	1,160
Revenues	(1,011)	(1,115)	(1,254)	(1,430)	(1,430)	(511)
Order Bookings	1,134	1,182	1,408	1,468	1,626	637
Order Backlog Adjustments	(94)	(2)	4	-	22	(38)
<b>Ending Order Backlog</b>	<b>681</b>	<b>746</b>	<b>904</b>	<b>942</b>	<b>1,160</b>	<b>1,248</b>

# Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures

Measure (C\$ mm)	F2017	F2018	F2019	F2020	F2021	Q1 F2022
Accounts receivable	166.1	213.0	222.2	294.8	294.1	437.9
Net contract assets	48.2	69.0	52.4	113.8	54.5	(36.4)
Inventories	47.9	58.5	68.0	68.4	135.0	143.0
Deposits, prepaids and other assets	16.1	22.5	28.7	31.2	37.8	48.8
Accounts payable and accrued liabilities	(183.8)	(246.4)	(262.0)	(292.4)	(400.2)	(467.5)
Provisions	(14.1)	(20.9)	(13.9)	(32.1)	(29.0)	(27.5)
<b>Working Capital</b>	<b>80.4</b>	<b>95.7</b>	<b>95.4</b>	<b>183.7</b>	<b>92.2</b>	<b>98.3</b>
Revenue run rate = (prior + current quarter) x 2	1,006.1	1,152.0	1,340.0	1,498.6	1,539.3	1,821.1
<b>Working Capital %</b>	<b>8.0%</b>	<b>8.3%</b>	<b>7.1%</b>	<b>12.3%</b>	<b>6.0%</b>	<b>5.4%</b>

Measure (C\$ mm)	F2017	F2018	F2019	F2020	F2021	Q1 F2022
Cash flows provided by operating activities	127.9	59.7	127.6	20.3	185.2	48.4
Acquisition of property, plant and equipment	(9.9)	(19.9)	(21.1)	(45.4)	(21.5)	(11.0)
Acquisition of intangible assets	(8.0)	(6.1)	(19.8)	(11.1)	(10.0)	(3.3)
<b>Free Cash Flow</b>	<b>110.0</b>	<b>33.7</b>	<b>86.7</b>	<b>(36.2)</b>	<b>153.7</b>	<b>34.1</b>
<b>Cumulative Free Cash Flow</b>	<b>110.0</b>	<b>143.7</b>	<b>230.4</b>	<b>194.2</b>	<b>347.9</b>	<b>382.0</b>