

ATS REPORTS THIRD QUARTER FISCAL 2022 RESULTS

Cambridge, Ontario (February 2, 2022) - ATS Automation Tooling Systems Inc. (TSX: ATA) ("ATS" or the "Company") today reported its financial results for the three and nine months ended December 26, 2021.

Third quarter highlights:

- Revenues increased 47.9% year over year to \$546.8 million.
- Earnings from operations¹ were \$38.2 million (7.0% operating margin), compared to \$32.3 million (8.7% operating margin) a year ago.
- Adjusted earnings from operations¹ were \$70.4 million (12.9% margin), compared to \$43.8 million (11.8% margin) a year ago.
- EBITDA¹ was \$68.0 million (12.4% EBITDA margin), compared to \$49.7 million (13.4% EBITDA margin) a year ago.
- Adjusted EBITDA¹ was \$83.5 million (15.3% adjusted EBITDA margin), compared to \$53.1 million (14.4% adjusted EBITDA margin) a year ago.
- Earnings per share were 25 cents basic and diluted compared to 20 cents a year ago.
- Adjusted basic earnings per share¹ were 52 cents compared to 30 cents a year ago.
- Order Bookings¹ were \$671 million, 54.3% higher compared to \$435 million a year ago.
- Order Backlog¹ increased 49.7% to \$1,475 million at December 26, 2021 compared to \$985 million a year ago.

"The third quarter of fiscal 2022 featured record Order Bookings, Order Backlog, and revenues driven by both organic growth and solid contributions from our acquisitions. The deployment of the ABM and effective countermeasures put in place to protect our people and our operations resulted in good results for customers and shareholders despite the resurgence of the COVID-19 pandemic and ongoing supply chain disruptions," said Andrew Hider, Chief Executive Officer. "Our record Order Backlog provides good revenue visibility and our strong balance sheet enables us to continue supporting our growth strategies."

Year-to-date highlights:

- Revenues increased 53.3% year over year to \$1,579.6 million.
- Earnings from operations¹ were \$126.8 million (8.0% operating margin), compared to \$76.8 million (7.5% operating margin) in the prior year.
- Adjusted earnings from operations¹ were \$206.7 million (13.1% margin), compared to \$113.6 million (11.0% margin) in the prior year.
- EBITDA¹ was \$209.7 million (13.3% EBITDA margin), compared to \$130.3 million (12.6% EBITDA margin) in the prior year.
- Adjusted EBITDA¹ was \$244.9 million (15.5% adjusted EBITDA margin), compared to \$141.8 million (13.8% adjusted EBITDA margin) a year ago.
- Earnings per share was 88 cents basic and diluted compared to 44 cents in the prior year.
- Adjusted basic earnings per share¹ were \$1.53 compared to 73 cents a year ago.
- Order Bookings¹ were \$1,817 million, compared to \$1,163 million a year ago.

Mr. Hider added, "Consistent with our strategy, ATS made three recent acquisitions to broaden our portfolio in key areas of life sciences including aseptic fill-finish and pharmaceutical development. The integrations of these businesses as well as CFT, BioDot, and NCC are progressing on plan as we focus on capturing all of the multi-year organic growth and cost synergy opportunities originally identified. With a larger team of talented and committed people, more capabilities for customers, and a sizeable funnel, ATS is well positioned for continued value creation."

¹ Non-IFRS measure: see "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures".

Financial results

(In millions of dollars, except per share data)

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Revenues	\$ 546.8	\$ 369.7	\$ 1,579.6	\$ 1,030.1
Earnings from operations	\$ 38.2	\$ 32.3	\$ 126.8	\$ 76.8
Adjusted earnings from operations ¹	\$ 70.4	\$ 43.8	\$ 206.7	\$ 113.6
EBITDA ¹	\$ 68.0	\$ 49.7	\$ 209.7	\$ 130.3
Adjusted EBITDA ¹	\$ 83.5	\$ 53.1	\$ 244.9	\$ 141.8
Net income	\$ 23.3	\$ 18.9	\$ 81.5	\$ 40.3
Basic and diluted earnings per share	\$ 0.25	\$ 0.20	\$ 0.88	\$ 0.44
Adjusted basic earnings per share ¹	\$ 0.52	\$ 0.30	\$ 1.53	\$ 0.73

¹ Non-IFRS measure: see "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures".

Third quarter summary

Fiscal 2022 third quarter revenues were 47.9% or \$177.1 million higher than in the corresponding period a year ago and included \$114.6 million of revenues earned by acquired companies, most notably \$73.4 million from CFT which was acquired in the fourth quarter of fiscal 2021. Organic growth, excluding contributions from acquired companies and the impact of foreign exchange rate changes, was \$79.5 million, or 21.5% higher than the third quarter of fiscal 2021. Life sciences was the primary source of organic revenue growth on increased activity in medical device and pharmaceutical projects. Foreign exchange negatively impacted revenues by \$17.0 million or 4.6% primarily reflecting the strengthening of the Canadian dollar relative to the U.S. dollar and Euro. Revenues generated from construction contracts increased 54.0% or \$117.2 million due to a combination of revenues earned by acquired companies of \$60.0 million (primarily \$47.3 million from CFT), and organic revenue growth. Revenues from services increased 16.2% or \$18.9 million primarily due to revenues earned by acquired companies of \$13.6 million. Organic growth in services accounted for \$5.3 million of the year-over-year increase due to the Company's utilization and expansion of its regional service networks and use of its digital support tools. Revenues from the sale of goods increased 115.5% or \$41.0 million due to revenues earned by acquired companies, primarily CFT and SP, which generate a higher percentage of their revenues from product sales.

By market, revenues generated in life sciences increased \$89.3 million or 41.9% year-over-year. This growth reflected higher Order Backlog entering the third quarter of fiscal 2022 compared to the corresponding period in the prior year, and included \$27.3 million of revenues earned by acquired companies, primarily BioDot and SP. Revenues generated in food & beverage increased \$76.5 million or 757.4%, primarily due to the acquisition of CFT in the fourth quarter of fiscal 2021. CFT generated \$73.3 million of food & beverage revenues in the third quarter of fiscal 2022. Revenues in transportation increased \$4.4 million or 6.6%, on higher Order Backlog entering the third quarter of fiscal 2022. Revenues generated in consumer products increased \$9.0 million or 17.6%, on higher Order Backlog entering the third quarter of fiscal 2022. Revenues in energy decreased \$2.1 million or 7.3% due to project timing and lower Order Backlog entering the third quarter.

Net income for the third quarter of fiscal 2022 was \$23.3 million (25 cents per share basic and diluted), a \$4.4 million (or 23.3%) increase compared to \$18.9 million (20 cents per share basic and diluted) for the third quarter of fiscal 2021. The increase related primarily to an increase in earnings from operations (see below).

Fiscal 2022 third quarter earnings from operations were \$38.2 million (7.0% operating margin) compared to \$32.3 million (8.7% operating margin) in the third quarter a year ago. Fiscal 2022 earnings from operations included: \$5.1 million of acquisition-related fair value adjustments to acquired inventories recorded in cost of revenues, \$16.7 million related to amortization of acquisition-related intangible assets and \$6.3 million of incremental costs related to the Company's acquisition activity recorded to SG&A expenses and \$4.1 million of restructuring costs. Fiscal 2021 earnings from operations included \$8.1 million of amortization of acquisition-related intangible assets, \$2.5 million of incremental costs related to the Company's acquisition activity and a \$5.3 million gain on the sale of a facility recorded to SG&A expenses and \$6.2 million of restructuring costs.

Excluding these items in both quarters, adjusted earnings from operations were \$70.4 million (12.9% margin), compared to \$43.8 million (11.8% margin) a year ago. Contributions from acquired companies were \$8.4 million, with BioDot contributing \$3.3 million, and CFT contributing \$2.7 million. Third quarter fiscal 2022 adjusted earnings from operations reflected higher gross margin due to efficiency gains made in the Company's cost structure as a result of previously implemented reorganization plans, improved program execution, which reduced the number and impact of Red projects (projects that are not on budget, on schedule or have quality issues), increased revenues from after-sales services, as well as a reduction in COVID-19 related travel and entry restrictions and temporary closures at customer sites compared to a year ago.

Depreciation and amortization expense was \$29.8 million in the third quarter of fiscal 2022, compared to \$17.4 million a year ago. The increase was primarily due to the addition of identifiable intangible assets recorded on the acquisitions of CFT, BioDot and SP.

EBITDA was \$68.0 million (12.4% EBITDA margin) in the third quarter of fiscal 2022 compared to \$49.7 million (13.4% EBITDA margin) in the third quarter of fiscal 2021. EBITDA for the third quarter of fiscal 2022 included \$4.1 million of restructuring charges, \$6.3 million of incremental costs related to the Company's acquisition activity, and \$5.1 million of acquisition-related inventory fair value charges. EBITDA for the corresponding period in the prior year included \$2.5 million of incremental costs related to the Company's acquisition activity, \$6.2 million of restructuring charges and a \$5.3 million gain related to the sale of a facility. Excluding these costs, adjusted EBITDA was \$83.5 million (15.3% adjusted EBITDA margin), compared to \$53.1 million (14.4% adjusted EBITDA margin) a year ago. Higher adjusted EBITDA margin reflected operating improvements including an improved cost structure and less pronounced pandemic inefficiencies than in the same period a year ago.

Order Backlog Continuity

(In millions of dollars)

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Opening Order Backlog	\$ 1,295	\$ 956	\$ 1,160	\$ 942
Revenues	(547)	(370)	(1,580)	(1,030)
Order Bookings	671	435	1,817	1,163
Order Backlog adjustments ¹	56	(36)	78	(90)
Total	\$ 1,475	\$ 985	\$ 1,475	\$ 985

¹ Order Backlog adjustments include incremental Order Backlog of acquired companies (\$104 million SP included in the three- and nine-months ended December 26, 2021, \$13 million NCC and \$24 million BioDot included in the nine-months ended December 26, 2021), foreign exchange adjustments, scope changes and cancellations.

Order Bookings by Quarter

Third quarter fiscal 2022 Order Bookings were \$671 million. The 54.3% year-over-year increase reflected organic growth of 17.8% and 41.1% growth from acquired companies, partially offset by a 4.6% decrease due to foreign exchange rate translation of Order Bookings from foreign-based ATS subsidiaries, primarily reflecting the strengthening of the Canadian dollar relative to the U.S. dollar and Euro. Growth in Order Bookings from acquired companies totalled \$179 million, of which CFT contributed \$133 million. By market, Order Bookings in life sciences were flat. Order Bookings in food & beverage increased due to the addition of CFT. Order Bookings in transportation increased due to an EV program win and timing of customer

orders. Order Bookings in consumer products increased due to a large customer project award. Order Bookings in energy increased due to timing of customer projects, primarily in the nuclear market.

Third quarter fiscal 2022 book-to-bill ratio was 1.23:1, compared to 1.18:1 in the corresponding period a year ago.

Backlog

At December 26 2021, Order Backlog was \$1,475 million, 49.7% higher than at December 27, 2020. Order Backlog growth was primarily driven by higher Order Bookings in fiscal 2022 in all end markets, and Order Backlog from acquired businesses.

Outlook

The Company's funnel (which includes customer requests for proposal and ATS-identified customer opportunities) remains significant; however, the timing to convert opportunities into Order Bookings may be extended as some customers manage their responses to the pandemic by delaying planned project timing. By market, the life sciences funnel remains robust as a result of strong activity in medical devices, pharmaceuticals and radiopharmaceuticals. Funnel activity in food & beverage is robust and with the addition of CFT, the Company has improved exposure to opportunities in this market. In transportation, the funnel largely includes strategic opportunities related to electric vehicles, a growing market. Funnel activity in energy is stable and comprised of some longer-term opportunities. Funnel activity in consumer products has improved; however, management expects some customers to remain cautious in deploying capital in the current economic environment. Order Backlog of \$1,475 million will help mitigate the impact of quarterly variability in Order Bookings on revenues in the short term.

The Company's Order Backlog includes several large enterprise programs that have longer periods of performance and therefore longer revenue recognition cycles. In the fourth quarter of fiscal 2022, management expects the conversion of Order Backlog to revenues to be in the 35% to 40% range. This estimate was calculated based on the combination of management's estimate of current projects which comprise Order Backlog and historical Order Backlog conversion data.

The Company's approach to the market and the timing of customer decisions on larger opportunities is expected to cause variability in Order Bookings from quarter to quarter and lengthen the performance period and revenue recognition for certain customer programs. The revenue of the Company in a given period is dependent on a combination of the volume of outstanding projects the Company is contracted to and the size and duration of those projects, and is driven by project activities including design, assembly, testing, and installation. Given the specialized nature of the Company's offerings, the size and scope of projects vary based on customer needs. The Company seeks to achieve revenue growth organically and by identifying strategic acquisition opportunities that can provide access to attractive end-markets. The Company is working to grow its product portfolio and after-sales service revenues as a percentage of overall revenues over time, which is expected to provide some balance to the capital expenditure cycle of the Company's customers.

Management is pursuing several initiatives to grow its revenues and improve its profitability with the goal of expanding its adjusted earnings from operations margin to 15% over the long term from 13.1% in the first nine months of fiscal 2022. These initiatives include growing the Company's after-sales service business, improving global supply chain management, increasing the use of standardized platforms and technologies, growing revenues while leveraging the Company's cost structure, and pursuing continuous improvement in all business activities through the ABM.

In the short term, the global COVID-19 pandemic has disrupted global supply chains, leading to longer lead-times and cost increases on certain raw materials and components used by the Company. To date the Company has largely mitigated these supply chain disruptions through the use of alternative supply sources and savings on materials not affected by cost increases. However, further cost increases or prolonged disruptions could impact the timing and progress of the Company's margin expansion efforts and the timing of revenue recognition. Achieving the margin target assumes that the Company will successfully implement the initiatives noted above, and that such initiatives will result in improvements to its adjusted

earnings from operations margin (see “Note to Readers: Forward-Looking Statements” for a description of the risks underlying the achievement of the margin target in future periods).

The Company continues to make progress in line with its plans to integrate businesses acquired over the last year, and expects to realize cost and revenue synergies consistent with announced integration plans. BioDot has previously benefitted from increased volumes related to specific COVID-19 applications, which have diminished as expected in the Company's third fiscal quarter. During the third quarter, as part of the integration of CFT, and pursuant to its strategy of improving business performance, the Company initiated a restructuring plan, which included the closure of two underperforming CFT facilities along with other cost reductions. This reorganization will result in the rationalization of some underperforming businesses and bring focus to areas with a stronger value proposition. The Company recorded restructuring expense of \$4.1 million in the third quarter of fiscal 2022 in relation to the reorganization.

COVID-19 resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel restrictions, quarantine periods and physical distancing requirements have affected economies and disrupted business operations for ATS and its customers. Vaccination programs are underway, however, the recent rise of a new variant (Omicron) of COVID-19 has resulted in another round of lockdowns and travel restrictions in certain jurisdictions served by the Company. As a result, it remains difficult to predict the duration or severity of the pandemic or its affect on the business, financial results and conditions of the Company.

Over the long term, the Company generally expects to continue investing in non-cash working capital to support the growth of its business, with fluctuations expected on a quarter-over-quarter basis. The Company's goal is to maintain its investment in non-cash working capital as a percentage of annualized revenues below 15%. The Company expects that continued cash flows from operations, together with cash and cash equivalents on hand and credit available under operating and long-term credit facilities will be sufficient to fund its requirements for investments in non-cash working capital and capital assets, and fund strategic investment plans including some potential acquisitions. Acquisitions could result in additional debt or equity financing requirements for the Company.

Quarterly Conference Call

ATS will host a conference call and webcast at 8:30 a.m. eastern on Wednesday, February 2, 2022 to discuss its quarterly results. The listen-only webcast can be accessed live at www.atsautomation.com. The conference call can be accessed live by dialing (416) 764-8659 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 February 9, 2022) by dialing (416) 764-8677 and entering passcode 786045 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, food & beverage, transportation, consumer products, and energy. Founded in 1978, ATS employs over 6,000 people at more than 50 manufacturing facilities and over 75 offices in North America, Europe, Southeast Asia and China.

For more information, contact:

Ryan McLeod, Chief Financial Officer
519-653-6500
rmcleod@atsautomation.com

Consolidated Revenues

(In millions of dollars)

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Revenues by type				
Revenues from construction contracts	\$ 334.4	\$ 217.2	\$ 1,004.1	\$ 637.0
Services rendered	135.9	117.0	349.5	303.6
Sale of goods	76.5	35.5	226.0	89.5
Total revenues	\$ 546.8	\$ 369.7	\$ 1,579.6	\$ 1,030.1

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Revenues by market				
Life Sciences	\$ 302.5	\$ 213.2	\$ 792.7	\$ 576.6
Food & Beverage	86.6	10.1	299.9	25.3
Transportation	71.1	66.7	215.2	205.0
Consumer Products	60.0	51.0	186.1	143.1
Energy	26.6	28.7	85.7	80.1
Total revenues	\$ 546.8	\$ 369.7	\$ 1,579.6	\$ 1,030.1

Consolidated Operating Results

(In millions of dollars)

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Earnings from operations	\$ 38.2	\$ 32.3	\$ 126.8	\$ 76.8
Amortization of acquisition-related intangible assets	16.7	8.1	44.7	25.3
Restructuring charges	4.1	6.2	4.1	14.3
Acquisition-related transaction costs	6.3	2.5	10.6	2.5
Acquisition-related inventory fair value charges	5.1	—	20.5	—
Gain on sale of facility	—	(5.3)	—	(5.3)
Adjusted earnings from operations¹	\$ 70.4	\$ 43.8	\$ 206.7	\$ 113.6

¹ See "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures."

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Earnings from operations	\$ 38.2	\$ 32.3	\$ 126.8	\$ 76.8
Depreciation and amortization	29.8	17.4	82.9	53.5
EBITDA¹	\$ 68.0	\$ 49.7	\$ 209.7	\$ 130.3
Restructuring charges	4.1	6.2	4.1	14.3
Acquisition-related transaction costs	6.3	2.5	10.6	2.5
Acquisition-related inventory fair value charges	5.1	—	20.5	—
Gain on sale of facility	—	(5.3)	—	(5.3)
Adjusted EBITDA¹	\$ 83.5	\$ 53.1	\$ 244.9	\$ 141.8

¹ See "Notice to Reader: Non-IFRS Measures and Additional IFRS Measures."

Order Backlog by Market

(In millions of dollars)

As at	December 26, 2021	December 27, 2020
Life Sciences	\$ 790	\$ 596
Food & Beverage	195	10
Transportation	197	151
Consumer Products	180	120
Energy	113	108
Total	\$ 1,475	\$ 985

Reconciliation of Non-IFRS Measures to IFRS Measures

(In millions of dollars, except per share data)

The following table reconciles EBITDA to the most directly comparable IFRS measure (net income):

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Adjusted EBITDA	\$ 83.5	\$ 53.1	\$ 244.9	\$ 141.8
Restructuring charges	4.1	6.2	4.1	14.3
Acquisition-related transaction costs	6.3	2.5	10.6	2.5
Acquisition-related inventory fair value charges	5.1	—	20.5	—
Gain on sale of facility	—	(5.3)	—	(5.3)
EBITDA	\$ 68.0	\$ 49.7	\$ 209.7	\$ 130.3
Less: depreciation and amortization expense	29.8	17.4	82.9	53.5
Earnings from operations	\$ 38.2	\$ 32.3	\$ 126.8	\$ 76.8
Less: net finance costs	7.9	7.3	22.6	23.5
Provision for income taxes	7.0	6.1	22.7	13.0
Net income	\$ 23.3	\$ 18.9	\$ 81.5	\$ 40.3

The following table reconciles adjusted earnings from operations and adjusted basic earnings per share to the most directly comparable IFRS measure (net income and basic earnings per share):

	Three Months Ended December 26, 2021			Three Months Ended December 27, 2020		
	IFRS	Adjustments	Adjusted (non-IFRS)	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	\$ 38.2	\$ —	\$ 38.2	\$ 32.3	\$ —	\$ 32.3
Acquisition-related transaction costs	—	6.3	6.3	—	2.5	2.5
Amortization of acquisition-related intangible assets	—	16.7	16.7	—	8.1	8.1
Restructuring charges	—	4.1	4.1	—	6.2	6.2
Acquisition-related inventory fair value charges	—	5.1	5.1	—	—	—
Gain on sale of facility	—	—	—	—	(5.3)	(5.3)
	\$ 38.2	\$ 32.2	\$ 70.4	\$ 32.3	\$ 11.5	\$ 43.8
Less: net finance costs	\$ 7.9	\$ —	\$ 7.9	\$ 7.3	\$ —	\$ 7.3
Income before income taxes	\$ 30.3	\$ 32.2	\$ 62.5	\$ 25.0	\$ 11.5	\$ 36.5
Provision for income taxes	\$ 7.0	\$ —	\$ 7.0	\$ 6.1	\$ —	\$ 6.1
Adjustment to provision for income taxes ¹	—	8.0	8.0	—	3.1	3.1
	\$ 7.0	\$ 8.0	\$ 15.0	\$ 6.1	\$ 3.1	\$ 9.2
Net income	\$ 23.3	\$ 24.2	\$ 47.5	\$ 18.9	\$ 8.4	\$ 27.3
Basic earnings per share	\$ 0.25	\$ 0.27	\$ 0.52	\$ 0.20	\$ 0.10	\$ 0.30

¹ Adjustments to provision for income taxes relate to the income tax effects of adjustment items that are excluded for the purposes of calculating non-IFRS based adjusted net income.

	Nine Months Ended December 26, 2021			Nine Months Ended December 27, 2020		
	IFRS	Adjustments	Adjusted (non-IFRS)	IFRS	Adjustments	Adjusted (non-IFRS)
Earnings from operations	\$ 126.8	\$ —	\$ 126.8	\$ 76.8	\$ —	\$ 76.8
Acquisition-related transaction costs	—	10.6	10.6	—	2.5	2.5
Amortization of acquisition-related intangible assets	—	44.7	44.7	—	25.3	25.3
Restructuring charges	—	4.1	4.1	—	14.3	14.3
Acquisition-related inventory fair value charges	—	20.5	20.5	—	—	—
Gain on sale of facility	—	—	—	—	(5.3)	(5.3)
	\$ 126.8	\$ 79.9	\$ 206.7	\$ 76.8	\$ 36.8	\$ 113.6
Less: net finance costs	\$ 22.6	\$ —	\$ 22.6	\$ 23.5	\$ —	\$ 23.5
Income before income taxes	\$ 104.2	\$ 79.9	\$ 184.1	\$ 53.3	\$ 36.8	\$ 90.1
Provision for income taxes	\$ 22.7	\$ —	\$ 22.7	\$ 13.0	\$ —	\$ 13.0
Adjustment to provision for income taxes ¹	—	20.2	20.2	—	9.9	9.9
	\$ 22.7	\$ 20.2	\$ 42.9	\$ 13.0	\$ 9.9	\$ 22.9
Net income	\$ 81.5	\$ 59.7	\$ 141.2	\$ 40.3	\$ 26.9	\$ 67.2
Basic earnings per share	\$ 0.88	\$ 0.65	\$ 1.53	\$ 0.44	\$ 0.29	\$ 0.73

¹ Adjustments to provision for income taxes relate to the income tax effects of adjustment items that are excluded for the purposes of calculating non-IFRS based adjusted net income.

The following table reconciles non-cash working capital as a percentage of revenues to the most directly comparable IFRS measures:

As at	December 26, 2021	March 31, 2021 ¹
Accounts receivable	\$ 390.1	\$ 285.9
Income tax receivable	10.9	8.2
Contract assets	329.6	272.8
Inventories	205.6	138.0
Deposits, prepaids and other assets	69.3	37.8
Accounts payable and accrued liabilities	(484.9)	(366.6)
Income tax payable	(44.7)	(32.9)
Contract liabilities	(310.3)	(218.3)
Provisions	(30.0)	(29.0)
Non-cash working capital	\$ 135.6	\$ 95.9
Trailing six-month revenues annualized	\$ 2,137.8	\$ 1,539.2
Working capital %	6.3%	6.2%

¹ Certain balances as at March 31, 2021 have been re-presented as a result of measurement period adjustments for the acquisition of CFT as required by IFRS 3, *Business Combinations*. See the Interim Condensed Consolidated Financial Statements for the period ended December 26, 2021.

The following table reconciles net debt to adjusted EBITDA to the most directly comparable IFRS measures:

As at	December 26, 2021	March 31, 2021
Cash and cash equivalents	\$ 200.1	\$ 187.5
Bank indebtedness	(3.0)	(1.1)
Current portion of lease liabilities	(19.9)	(15.2)
Current portion of long-term debt	(0.0)	(0.1)
Long-term lease liabilities	(59.0)	(57.8)
Long-term debt	(1,073.8)	(430.6)
Net Debt	\$ (955.6)	\$ (317.3)
Adjusted EBITDA (TTM)	\$ 303.5	\$ 200.7
Net Debt to Adjusted EBITDA	3.1x	1.6x

The following table reconciles free cash flow to the most directly comparable IFRS measures:

(in millions of dollars)	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Cash flows provided by operating activities	\$ 82.1	\$ 78.9	\$ 186.2	\$ 146.2
Acquisition of property, plant and equipment	(8.1)	(5.1)	(27.9)	(11.1)
Acquisition of intangible assets	(3.2)	(1.9)	(9.1)	(7.4)
Free cash flow	\$ 70.8	\$ 71.9	\$ 149.2	\$ 127.7

INVESTMENTS, LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

(In millions of dollars, except ratios)

As at	December 26, 2021	March 31, 2021
Cash and cash equivalents	\$ 200.1	\$ 187.5
Debt-to-equity ratio ¹	1.25:1	0.59:1

¹ Debt is calculated as bank indebtedness, long-term debt and lease liabilities. Equity is calculated as total equity less accumulated other comprehensive income.

	Three Months Ended December 26, 2021	Three Months Ended December 27, 2020	Nine Months Ended December 26, 2021	Nine Months Ended December 27, 2020
Cash flows provided by operating activities	\$ 82.1	\$ 78.9	\$ 186.2	\$ 146.2

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Financial Position
(in thousands of Canadian dollars - unaudited)

As at	Note	December 26 2021	March 31 2021*
ASSETS			
Current assets	14		
Cash and cash equivalents		\$ 200,072	\$ 187,467
Accounts receivable		390,116	285,947
Income tax receivable		10,854	8,158
Contract assets	20	329,598	272,847
Inventories	5	205,567	138,011
Deposits, prepaids and other assets	6	69,260	37,807
		1,205,467	930,237
Non-current assets			
Property, plant and equipment	7	233,119	191,169
Right-of-use assets	8	78,035	72,570
Other assets	9	13,448	5,882
Goodwill	10	1,017,025	663,148
Intangible assets	11	631,744	278,246
Deferred income tax assets		12,101	11,087
Investment tax credit receivable		—	52,440
		1,985,472	1,274,542
Total assets		\$ 3,190,939	\$ 2,204,779
LIABILITIES AND EQUITY			
Current liabilities			
Bank indebtedness	14	\$ 3,039	\$ 1,106
Accounts payable and accrued liabilities		484,946	366,608
Income tax payable		44,681	32,938
Contract liabilities	20	310,348	218,290
Provisions	13	29,979	29,034
Current portion of lease liabilities	8	19,939	15,197
Current portion of long-term debt	14	29	79
		892,961	663,252
Non-current liabilities			
Employee benefits		33,497	34,110
Long-term lease liabilities	8	59,041	57,764
Long-term debt	14	1,073,806	430,634
Deferred income tax liabilities		135,319	79,865
Other long-term liabilities	9	24,431	26,305
		1,326,094	628,678
Total liabilities		\$ 2,219,055	\$ 1,291,930
Commitments and contingencies	14, 18		
EQUITY			
Share capital	15	\$ 530,093	\$ 526,446
Contributed surplus		11,392	11,170
Accumulated other comprehensive income		48,546	59,830
Retained earnings		378,381	297,818
Equity attributable to shareholders		968,412	895,264
Non-controlling interests		3,472	17,585
Total equity		971,884	912,849
Total liabilities and equity		\$ 3,190,939	\$ 2,204,779

See accompanying notes to the interim condensed consolidated financial statements.

* Certain balances as at March 31, 2021 have been re-presented as a result of measurement period adjustments for the acquisition of CFT S.p.A. ("CFT") as required by IFRS 3, Business Combinations. See the Interim Condensed Consolidated Financial Statements for the period ended December 26, 2021.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Income
(in thousands of Canadian dollars, except per share amounts - unaudited)

	Note	Three months ended		Nine months ended	
		December 26 2021	December 27 2020	December 26 2021*	December 27 2020
Revenues					
Revenues from construction contracts		\$ 334,369	\$ 217,244	\$ 1,004,091	\$ 636,980
Services rendered		135,921	116,990	349,457	303,650
Sale of goods		76,514	35,497	226,005	89,500
Total revenues	20	546,804	369,731	1,579,553	1,030,130
Operating costs and expenses					
Cost of revenues		388,862	267,028	1,140,247	756,960
Selling, general and administrative		102,927	59,331	276,451	174,498
Restructuring costs		4,056	6,208	4,056	14,355
Stock-based compensation	17	12,727	4,891	32,007	7,510
Earnings from operations		38,232	32,273	126,792	76,807
Net finance costs	21	7,869	7,271	22,551	23,502
Income before income taxes		30,363	25,002	104,241	53,305
Income tax expense	16	7,049	6,112	22,700	13,036
Net income		\$ 23,314	\$ 18,890	\$ 81,541	\$ 40,269
Attributable to					
Shareholders		\$ 23,857	\$ 18,838	\$ 81,280	\$ 40,307
Non-controlling interests		(543)	52	261	(38)
		\$ 23,314	\$ 18,890	\$ 81,541	\$ 40,269
Earnings per share					
attributable to shareholders					
Basic and diluted	22	\$ 0.25	\$ 0.20	\$ 0.88	\$ 0.44

See accompanying notes to the interim condensed consolidated financial statements.

* Certain amounts for the previously reported six months ended September 26, 2021 have been re-presented as a result of measurement period adjustments for the acquisitions of CFT, BioDot Inc. ("BioDot"), and NCC Automated Systems, Inc. ("NCC") as required by IFRS 3, Business Combinations. See the Interim Condensed Consolidated Financial Statements for the period ended December 26, 2021.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Cash Flows
(in thousands of Canadian dollars - unaudited)

		Three months ended		Nine months ended	
		December 26	December 27	December 26	December 27
	Note	2021	2020	2021*	2020
Operating activities					
Net income		\$ 23,314	\$ 18,890	\$ 81,541	\$ 40,269
Items not involving cash					
Depreciation of property, plant and equipment		5,362	3,715	15,408	11,073
Amortization of right-of-use assets	7	5,454	3,926	16,304	12,176
Amortization of intangible assets		18,948	9,711	51,164	30,291
Deferred income taxes	16	(25,800)	(100)	(39,611)	(5,443)
Other items not involving cash		26,682	850	31,142	1,709
Stock-based compensation	17	338	263	993	574
Gain on disposal of property, plant and equipment		—	(5,348)	—	(6,598)
		54,298	31,907	156,941	84,051
Change in non-cash operating working capital		27,778	47,023	29,214	62,170
Cash flows provided by operating activities		\$ 82,076	\$ 78,930	\$ 186,155	\$ 146,221
Investing activities					
Acquisition of property, plant and equipment		\$ (8,102)	\$ (5,134)	\$ (27,926)	\$ (11,052)
Acquisition of intangible assets		(3,245)	(1,858)	(9,054)	(7,413)
Business acquisition, net of cash acquired		(578,166)	(3,050)	(744,351)	(3,050)
Purchase of non-controlling interest		(14,437)	—	(15,112)	—
Proceeds from disposal of property, plant and equipment		34	8,461	229	11,525
Cash flows used in investing activities		\$ (603,916)	\$ (1,581)	\$ (796,214)	\$ (9,990)
Financing activities					
Bank indebtedness		\$ (176)	(4,318)	\$ (120)	(3,389)
Repayment of long-term debt		(44,291)	(417)	(127,360)	(302,896)
Proceeds from long-term debt		590,503	640	761,529	55,720
Proceeds from exercise of stock options		407	1,546	2,876	5,352
Repurchase of common shares		—	(8,662)	—	(8,662)
Principal lease payments		(4,768)	(3,719)	(15,311)	(11,408)
Cash flows provided by (used in) financing activities		\$ 541,675	\$ (14,930)	\$ 621,614	\$ (265,283)
Effect of exchange rate changes on cash and cash equivalents		(1,093)	(518)	1,050	(5,049)
Increase (decrease) in cash and cash equivalents		18,742	61,901	12,605	(134,101)
Cash and cash equivalents, beginning of period		181,330	162,643	187,467	358,645
Cash and cash equivalents, end of period		\$ 200,072	\$ 224,544	\$ 200,072	\$ 224,544
Supplemental information					
Cash income taxes paid		\$ 14,112	\$ 3,325	\$ 22,241	\$ 2,946
Cash interest paid		\$ 11,754	\$ 12,581	\$ 25,540	\$ 29,465

See accompanying notes to the interim condensed consolidated financial statements.

* Certain amounts for the previously reported six months ended September 26, 2021 have been re-presented as a result of measurement period adjustments for the acquisitions of CFT, BioDot, and NCC as required by IFRS 3, Business Combinations. See the Interim Condensed Consolidated Financial Statements for the period ended December 26, 2021.

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

Throughout this document, management uses certain non-IFRS measures to evaluate the performance of the Company. The terms “operating margin”, “EBITDA”, “EBITDA margin”, “adjusted net income”, “adjusted earnings from operations”, “adjusted operating margin”, “adjusted EBITDA”, “adjusted EBITDA margin”, “adjusted basic earnings per share”, “non-cash working capital as a percentage of revenues”, “free cash flow”, “net debt to adjusted EBITDA”, “Order Bookings”, “Order Backlog”, and “book-to-bill ratio” 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. In addition, management uses “earnings from operations”, which is an additional IFRS measure, to evaluate the performance of the Company. Earnings from operations is presented on the Company’s consolidated statements of income as net income excluding income tax expense and net finance costs. Operating margin is an expression of the Company’s earnings from operations as a percentage of revenues. EBITDA is defined as earnings from operations excluding depreciation and amortization. EBITDA margin is an expression of the Company’s EBITDA as a percentage of revenues. Adjusted earnings from operations is defined as earnings from operations 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 operating margin is an expression of the Company’s adjusted earnings from operations as a percentage of revenues. Adjusted EBITDA is defined as adjusted earnings from operations excluding depreciation and amortization. Adjusted EBITDA margin is an expression of the entity’s adjusted EBITDA as a percentage of revenues. Adjusted basic earnings per share is defined as adjusted net income on a basic per share basis, where adjusted net income is defined as adjusted earnings from operations less net finance costs and income tax expense, plus tax effects of adjustment items and adjusted for other significant items of a non-recurring nature. Non-cash working capital as a percentage of revenues 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 divided by the trailing two fiscal quarter revenues annualized. Free cash flow is defined as cash provided by operating activities less property, plant and equipment and intangible asset expenditures. Net debt to adjusted EBITDA is the ratio of the net debt of the Company (cash and cash equivalents less bank indebtedness, long-term debt, and lease liabilities) to adjusted EBITDA. Order Bookings represent 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. Book to bill ratio is a measure of Order Bookings compared to revenue.

Operating margin, adjusted earnings from operations, EBITDA, EBITDA margin, adjusted EBITDA, and adjusted EBITDA margin are used by the Company to evaluate the performance of its operations. Management believes that earnings from operations is an important indicator in measuring the performance of the Company’s operations on a pre-tax basis and without consideration as to how the Company finances its operations. Management believes that EBITDA and adjusted EBITDA are important indicators of the Company’s ability to generate operating cash flows to fund continued investment in its operations. Management believes that adjusted earnings from operations, adjusted operating margin, adjusted EBITDA and adjusted basic earnings per share are important measures to increase comparability of performance between periods. 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 assess overall liquidity. Free cash flow is used by the Company to measure cash flow from operations after investment in property, plant and equipment and intangible assets. Management uses net debt to adjusted EBITDA as a measurement of leverage of the Company. 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 that the Company expects to generate based on contracts that management believes to be firm. Book to bill ratio is used to measure the Company’s ability and timeliness to convert Order Bookings into revenues. 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 (i) adjusted EBITDA and EBITDA to earnings from operations, (ii) adjusted earnings from operations to earnings from operations, (iii) adjusted net income to net income, (iv) adjusted basic earnings per share to basic earnings per share and (v) free cash flow to its IFRS measure components, in each case for the three- and nine-month periods ended December 26, 2021 and December 27, 2020 is contained in this MD&A (see “Reconciliation of Non-IFRS Measures to IFRS Measures”). This MD&A also contains a reconciliation of (i) working capital as a percentage of revenues and (ii) net debt to their IFRS measure components, in each case at both December 26, 2021 and March 31, 2021 (see “Reconciliation of Non-IFRS Measures to IFRS Measures”). A reconciliation of Order Bookings and Order Backlog to total Company revenues for the three- and nine-month periods ended December 26, 2021 and December 27, 2020 is also contained in this MD&A (see “Order Backlog Continuity”).

Note to Readers: Forward-Looking Statements

This news release and results of operations of ATS contains certain statements that may 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 strategic framework; the Company’s strategy to expand organically and through acquisition; the ATS Business Model (“ABM”); conversion of opportunities into Order Bookings; the Company’s Order Backlog partially mitigating the impact of variable Order Bookings; rate of Order Backlog conversion; the potential impact of the Company’s approach to market and timing of customer decisions on Order Bookings, performance period, and timing of revenue recognition; expected benefits with respect to the Company’s efforts to expand its services revenues; Company’s goal of expanding its adjusted earnings from operations margin over the long term and potential impact of COVID-19; expectation of synergies from integration of acquired businesses; the uncertainty and potential impact of COVID-19 and government emergency measures; non-cash working capital levels as a percentage of revenues; expectation in relation to meeting liquidity and funding requirements for investments; potential to use debt or equity financing to support growth strategy; expected capital expenditures for fiscal 2022; and the Company’s belief with respect to the outcome of certain lawsuits, claims and contingencies.

The risks and uncertainties that may affect forward-looking statements include, among others: the progression of COVID-19 and its impacts on the Company’s ability to operate its 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 conducts its 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 conducts its business; the impact of the COVID-19 pandemic on the Company’s employees, customers, and suppliers; impact of COVID-19 on the global economy; general market performance including capital market conditions and availability and cost of credit; performance of the markets that ATS serves; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure, increased cost of supplies and delays in relation thereto, and possible margin compression; the regulatory and tax environment; inability to successfully expand organically or through acquisition, due to an inability to grow expertise, personnel, and/or facilities at required rates or to identify, negotiate and conclude one or more acquisitions, or to raise, through debt or equity, or otherwise have available, required capital; that some or all of the sales funnel is not converted to Order Bookings due to competitive factors or failure to meet customer needs; timing of customer decisions related to large enterprise programs and potential for negative impact associated with any

cancellations or non-performance in relation thereto; variations in the amount of Order Backlog completed in any given quarter; that the Company is not successful in growing its service offering or that expected benefits are not realized; that efforts to expand adjusted earnings from operations margin over long-term are unsuccessful, due to any number of reasons, including less than anticipated increase in after-sales service revenues or reduced margins attached to those revenues, inability to achieve lower costs through supply chain management, failure to develop, adopt internally, or have customers adopt, standardized platforms and technologies, inability to maintain current cost structure if revenues were to grow, and failure of ABM to impact margins; that acquisitions made are not integrated as quickly or effectively as planned or expected and, as a result, anticipated benefits and synergies are not realized; non-cash working capital as a percentage of revenues operating at a level other than as expected due to reasons, including, the timing and nature of Order Bookings, the timing of payment milestones and payment terms in customer contracts, and delays in customer programs; that capital expenditure targets are increased in the future or the Company experiences cost increases in relation thereto; risk that the ultimate outcome of lawsuits, claims, and contingencies give rise to material liabilities for which no provisions have been recorded; that one or more customers, or other entities with which the Company has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses to the Company; political, labour or supplier disruptions; the development of superior or alternative technologies to those developed by ATS; the success of competitors with greater capital and resources in exploiting their technology; market risk for developing technologies; risks relating to legal proceedings to which ATS is or may become a party; exposure to product and/or professional 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.