

Build. Grow. Expand.

Second Quarter F2023
Earnings Presentation
November 9, 2022

Forward Looking Statements

Note to Reader: This presentation and the oral statements made during this call may contain certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Forward-looking statements include all statements that are not historical facts regarding possible events, conditions or results of operations that ATS believes, expects or anticipates will or may occur in the future, including, but not limited to, outlook in our markets, including macro environment impacts, order funnel, value creation strategy, margin expansion, ABM, and Order Backlog to revenue conversion rate. Such forward-looking statements are inherently subject to significant 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. Such forward-looking statements are inherently subject to significant 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. Important risks, uncertainties and factors that could cause actual results to differ materially from expectations expressed in the forward-looking statements include, but are not limited to, the duration of the COVID-19 pandemic and its impact on the Company, its employees, customers, suppliers and the global economy; impact of regional or global conflicts; general market performance including capital market conditions and availability and cost of credit; performance of the markets that ATS serves; industry challenges in securing the supply of labour, materials, and, in certain jurisdictions, energy sources such as natural gas; impact of inflation; interest rate changes; foreign currency and exchange risk; the relative strength of the Canadian dollar; recessionary risk; impact of factors such as increased pricing pressure, increased cost of energy and supplies, and delays in relation thereto, and possible margin compression; the regulatory and tax environment; success and impact of the initiatives that ATS is undertaking; variations in the amount of Order Backlog completed in any given quarter; that efforts to expand adjusted earnings from operations margin over long-term is unsuccessful due to any number of reasons, including less than anticipated increase in after-sales service revenues or reduced margins attached to those revenues, less than expected growth of its product portfolio, 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; and other risks and uncertainties detailed from time to time in ATS' filings with securities regulators, including, without limitation, the risk factors described in ATS' annual information form for the fiscal year ended March 31, 2022, which are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at www.sedar.com. ATS has attempted to identify important factors that could cause actual results to materially differ from current expectations, however, there may be other factors that cause actual results to differ materially from such expectations. Forward-looking statements are necessarily based on a number of estimates, factors and assumptions regarding, among others, management's current plans, estimates, projections, beliefs and opinions, the future performance and results of the Company's business and operations; assumption of successful implementation of margin improvement initiative; and general economic conditions and global events, including the COVID-19 pandemic. Forward-looking statements included in this presentation are only provided to understand management's current expectations relating to future periods and, as such, are not appropriate for any other purpose. Although ATS believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. ATS does not undertake any obligation to update forward-looking statements contained herein other than as required by law.

Non-IFRS Measures and Other IFRS Measures

Throughout this presentation management uses certain non-IFRS measures, non-IFRS ratios and supplementary financial measures to evaluate the performance of the Company. The terms “EBITDA”, “organic revenue”, “adjusted net income”, “adjusted earnings from operations”, “adjusted EBITDA”, “adjusted basic earnings per share”, and “free cash flow”, are non-IFRS financial measures, “operating margin”, “adjusted operating margin”, “organic revenue growth”, "non-cash working capital as a percentage of revenues", and “net debt to adjusted EBITDA” are non-IFRS ratios, and “Order Bookings”, “Order Backlog”, and “book-to-bill ratio” are supplementary financial measures, all of which do not have any standardized meaning prescribed within International Financial Reporting Standards ("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. Organic revenue is defined as revenues in the stated period excluding revenues from acquired companies for which the acquired company was not a part of the consolidated group in the comparable prior period. Organic revenue growth compares the stated period organic revenue with the reported revenue of the comparable period. 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 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.

Earnings from operations, operating margin, EBITDA and adjusted EBITDA 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 organic revenue and organic revenue growth, when considered with IFRS measures, allow the Company to better measure the Corporation’s performance and evaluate long-term performance trends. Organic revenue growth also facilitates easier comparisons of the Corporation’s performance with prior and future periods and relative comparisons to its peers. 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.

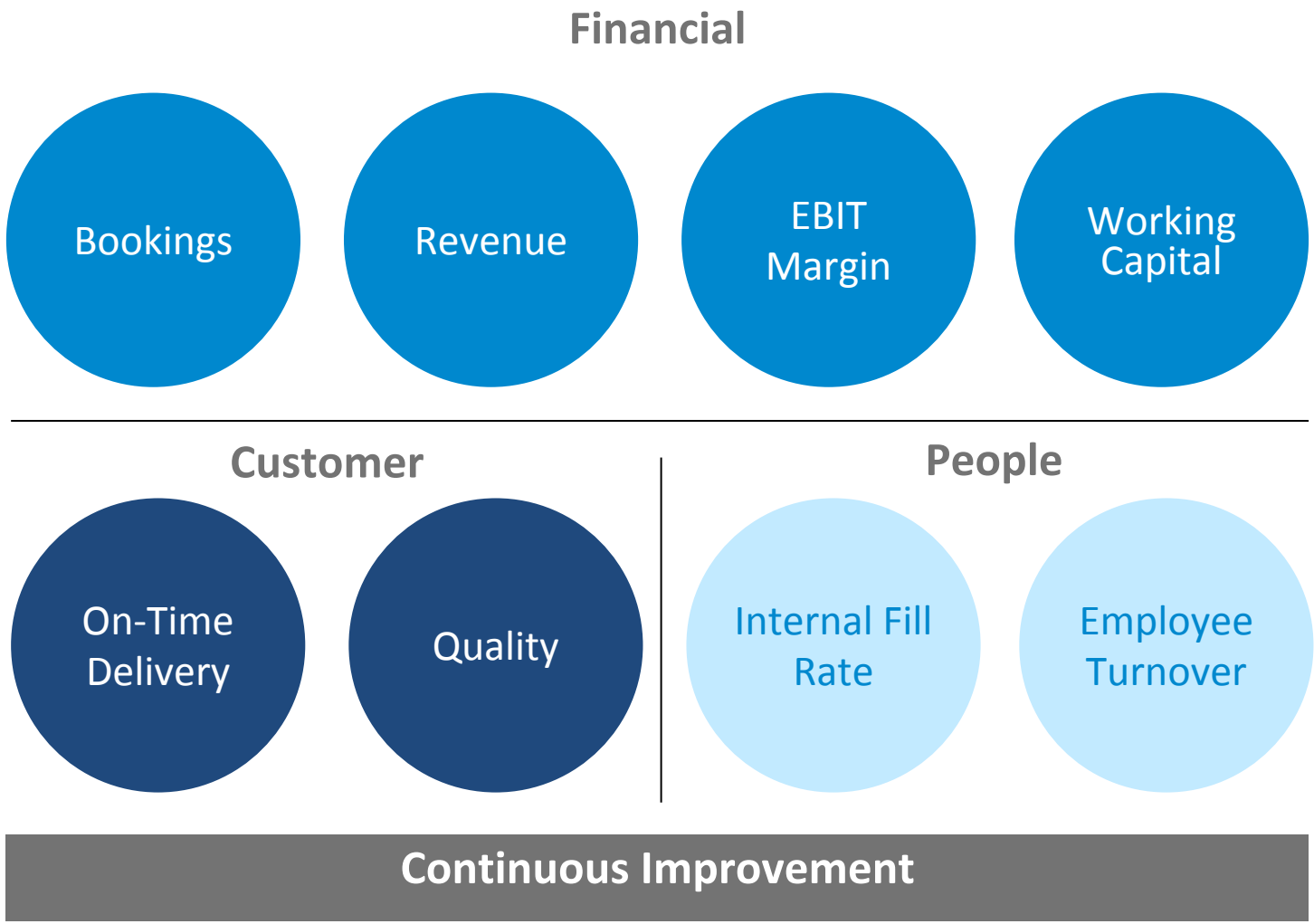
A reconciliation of Order Bookings and Order Backlog to total Company revenues are contained in this presentation. A reconciliation of (i) EBITDA and adjusted EBITDA to earnings from operations and net income, (ii) adjusted earnings from operations to earnings from operations and net income, (iii) adjusted basic earnings per share to basic earnings per share, (iv) free cash flow (v) organic revenue to revenue (vi) net debt and (vii) net debt to adjusted EBITDA to their IFRS measure components in each case is contained in this presentation.

Second Quarter Highlights

- ATS delivered solid performance in a challenging economic environment
- **Record Order Bookings[1] (up 58% y/y) to $804MM**
- **Record Order Backlog[1] (up 38% y/y) to $1,793MM**
- **Revenues (up 13% y/y) to $589MM** driven by recent acquisitions and organic growth[1]
- **Adj. Operating Margin[1] 12.8% (79 bps y/y lower)** in line with our expectations due to program timing and mix
- Integration progress on plan

1. See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures"

Our 8 Value Drivers

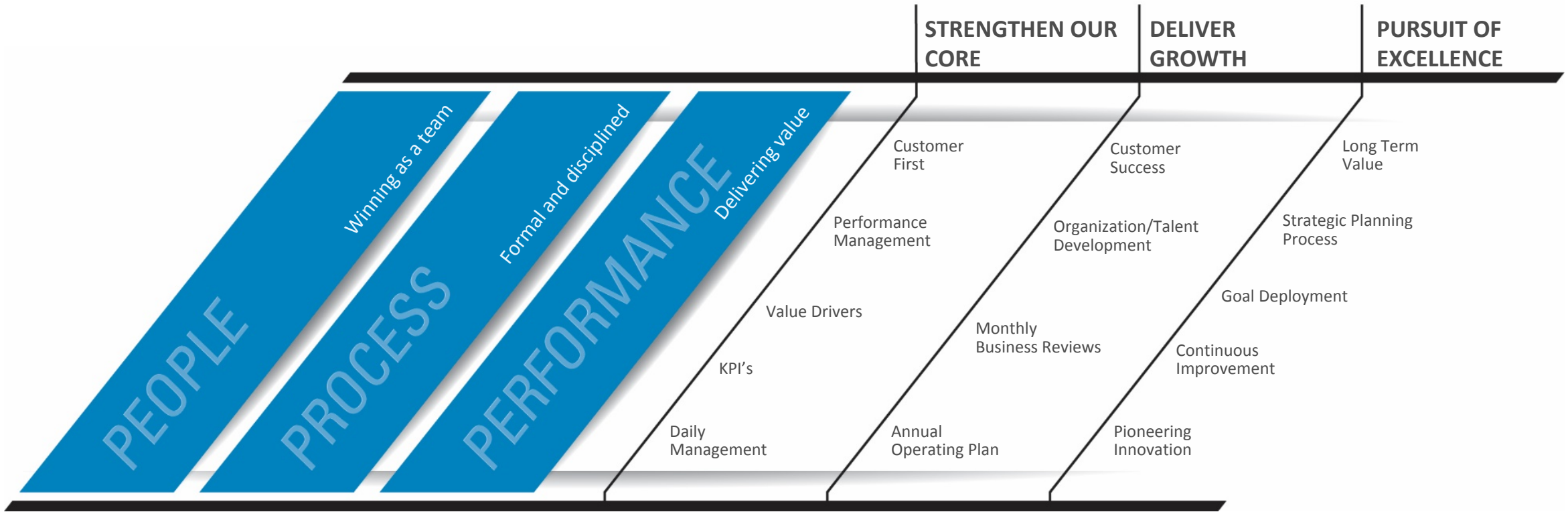


Outlook

- **Diversified** Order Backlog[1] provides solid base of work in strategic markets
- **Life Sciences Order Backlog[1] $782 MM** with strong funnel and opportunities across major submarkets
- **EV Order Backlog[1] $614 MM** due to rapid increase in global investment by OEMs
- **Food & Beverage Order Backlog[1] $162 MM** with funnel expanding on customer needs for energy-efficient solutions and our strong brand recognition
- **Energy Order Backlog[1] $68 MM** with stable funnel including nuclear, grid battery storage
- **Consumer Order Backlog[1] $167 MM** with stable funnel in personal care/cosmetics
- **After-Market Services** driven by customer need to improve asset performance, reduce labour dependence
- **Macro environment** challenged by inflation, supply chain, labour shortages, energy (ESG); ATS uniquely positioned to assist customers through these challenges

1. See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures"

ATS Business Model



Expanding Our Presence

What We Look For

Targeting Value Creation in Attractive Markets

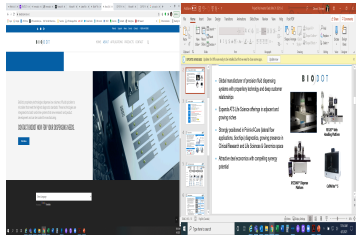
Attractive Markets	■ Growth orientated ■ Low cyclicality ■ Regulated spaces
Strategic Value	■ Differentiated technology ■ Innovative products ■ Niche applications ■ Geographic penetration
Operational Fit	■ Ability to manage ■ Synergy potential ■ ABM implementation
Financial Returns	■ ROIC > Cost of capital ■ Strong EBITDA potential ■ Recurring revenue ■ EPS accretion

Recent Acquisitions

End Market Exposure

ESP

Acquired: Dec 2021
Price: ~US$450mm



✓ Life Sciences

CFT LEADERS INNOVATE.

Acquired: Mar 2021
Price: ~C$260mm



✓ Food

COMECER

Acquired: Feb 2019
Price: ~€113mm



✓ Life Sciences

Other Acquisitions

ZI-ARGUS
Southeast Asia, Australia
Announced: Oct 2022

DF S.r.l
Pharma Equipment Provider
Acquired: Nov 2021

NCC
Precision Conveyance Provider
Acquired: Sep 2021

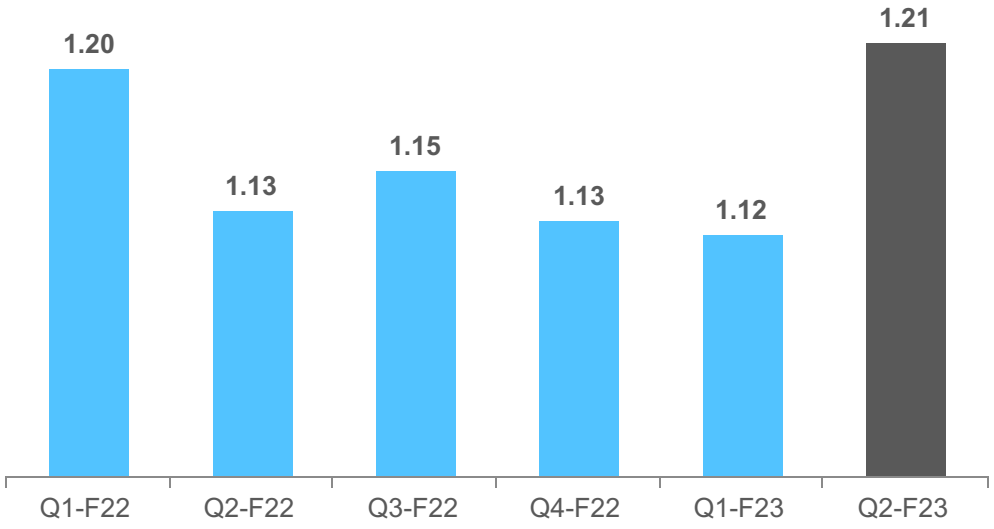
HSG
Pharma system integrator
Acquired: Dec 2021

BLSG
Process Engineering Consultant
Acquired: Aug 2021

BioDot
Fluid Dispensing Equipment Provider
Acquired: Jun 2021

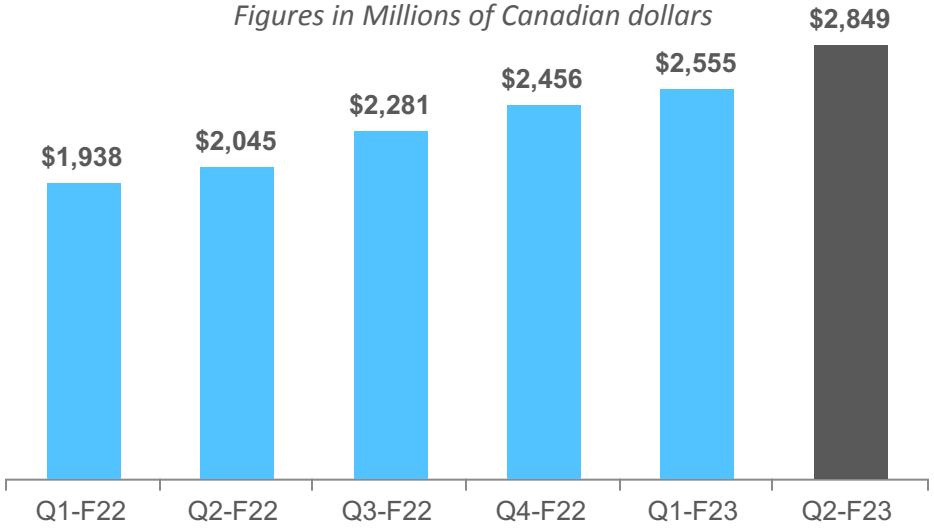
Order Bookings

LTM Book to Bill Ratio[1,2]



LTM Order Bookings[1,2]

Figures in Millions of Canadian dollars



1. *See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures";*
2. *LTM Order Bookings = Order Bookings for the previous twelve months*

Q2 F2023 Financial Results

(C$ mm, except per share data)	Q2 F2023	Q2 F2022	Y/Y Change ($)	Y/Y Change (%)
Revenues	**$588.9**	$522.1	$66.8	**12.8%**
Earnings from operations	**53.0**	43.7	9.3	**21.3%**
Adjusted earnings from operations[1]	**75.1**	70.7	4.4	**6.2%**
EBITDA[1]	**83.1**	71.5	11.6	**16.2%**
Adjusted EBITDA[1]	**88.8**	83.3	5.5	**6.6%**
Net income	**29.5**	29.6	(0.1)	**(0.3)%**
Basic earnings per share	**0.32**	0.32	—	**—%**
Adjusted basic earnings per share[1]	**0.50**	0.53	(0.03)	**(5.7)%**

Revenue Growth:	
Organic	3.8 %
Acquisitions	13.1 %
FX	(4.1)%
Total	12.8 %

- Revenues driven by recent acquisitions and strength in EV
  - Organic revenue growth[1] y/y 4%
- Adjusted operating margin[1] 12.8%, 79 bps y/y lower due to program timing and mix

1. See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures"

F2023 Year-to-Date Financial Results

(C$ mm, except per share data)	F2023	F2022	Y/Y Change ($)	Y/Y Change (%)
Revenues	**$1,199.5**	$1,032.7	$166.8	**16.2%**
Earnings from operations	**114.6**	88.5	26.1	**29.5%**
Adjusted earnings from operations[1]	**162.6**	136.1	26.5	**19.5%**
EBITDA[1]	**178.3**	141.6	36.7	**25.9%**
Adjusted EBITDA[1]	**189.6**	161.2	28.4	**17.6%**
Net income	**68.9**	58.2	10.7	**18.4%**
Basic earnings per share	**0.75**	0.63	0.12	**19.0%**
Adjusted basic earnings per share[1]	**1.14**	1.01	0.13	**12.9%**

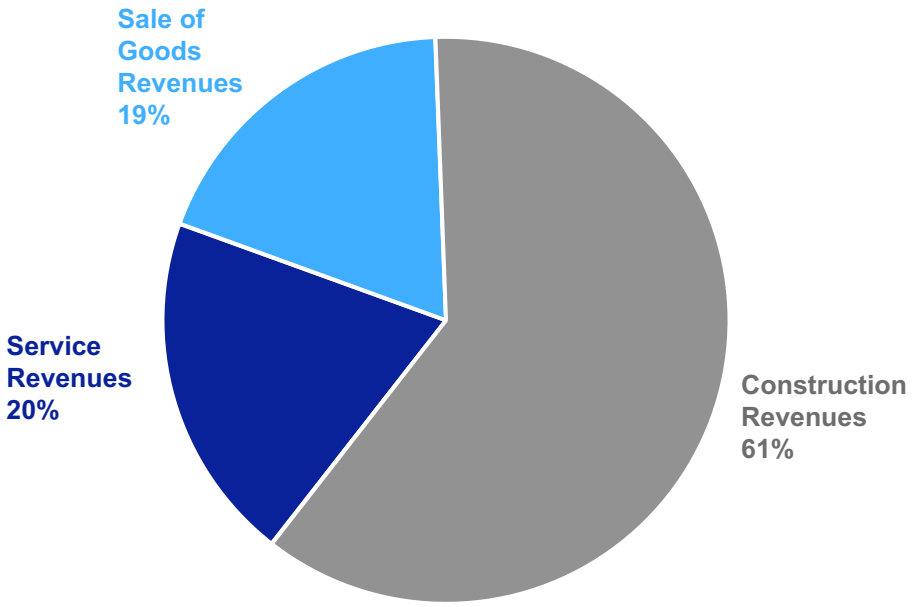
Revenue Growth:	
Organic	4.6 %
Acquisitions	15.1 %
FX	(3.5)%
Total	16.2 %

- Revenues driven by recent acquisitions and strength in EV
  - Organic revenue growth[1] y/y 4.6%
- Adjusted operating margin[1] was 13.6%, up 38 bps y/y due to lower stock based compensation

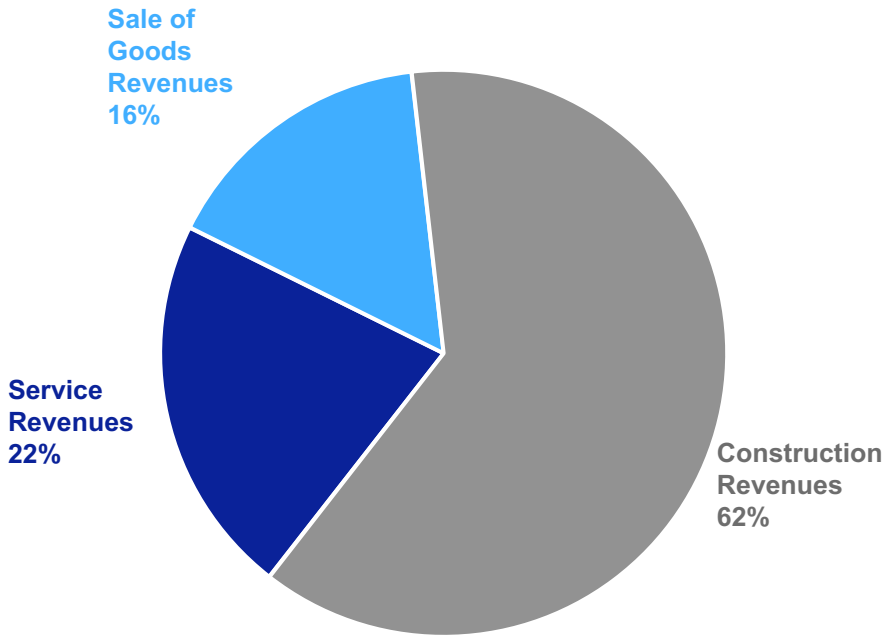
*1. See "**Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures**"*

Revenues by Type

Q2 Fiscal 2023



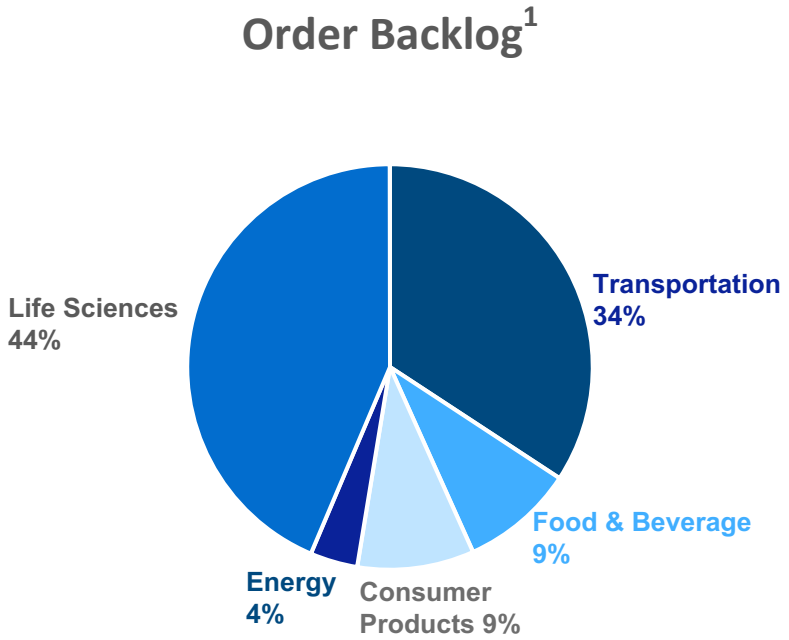
Q2 Fiscal 2022



- As expected, change in mix driven primarily by acquired companies
- Higher weighting on sale of goods provides good balance to our project-based revenues

Order Backlog



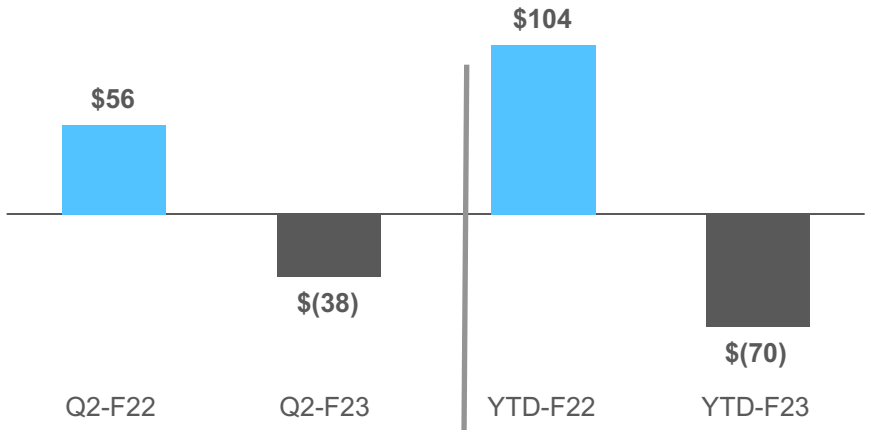


1. *See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures"; 2. Order Backlog in C$ mm;*

Cash Flow Generation

Cash Flow from Operations

Figures in Millions of Canadian dollars

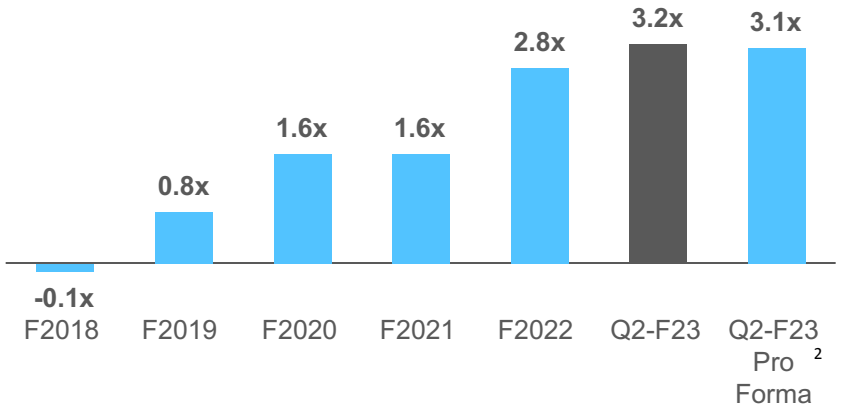


Free Cash Flow[1]

Figures in Millions of Canadian dollars



Net Debt to Adj. EBITDA[1]



- Q2-23 cash used in operations primarily related to timing of investments in non-cash working capital driven by project execution timing and customer billing milestones

1. *See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures" 2. Pro Forma to include full year adjusted EBITDA of recently acquired divisions*

Summary

- Growth in revenues, with record Order Bookings[1] and Order Backlog[1]
- Positive activity levels across strategic end-markets
- Integration of acquisitions on track
- Estimated Q3-F23 Order Backlog[1]-to-revenue conversion in the 32% to 37% range
- ABM driving a disciplined, continuous improvement response in a challenging business environment

1. See "Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures"

Appendix

Reconciliation of Non-IFRS Measures to IFRS Measures



(C$ mm)	F2018	F2019	F2020	F2021	F2022	Q2 F2023	Q2 F2022	YTD F2023	YTD F2022
Adjusted EBITDA	**133.3**	**161.9**	**195.1**	**200.7**	**343.9**	88.8	83.3	189.6	161.2
Restructuring charges	11.2	—	26.6	14.3	5.9	1.3	—	1.3	—
Gain on sale of facility	—	—	—	(5.3)	—	—	—	—	—
Acquisition-related transaction costs	—	4.7	1.5	6.7	12.0	0.5	2.1	0.9	4.2
Contingent consideration adjustment	—	—	—	(5.6)	(1.7)	—	—	—	—
Acquisition-related inventory fair value charges	—	—	—	—	25.7	3.9	9.7	9.1	15.4
EBITDA	**122.1**	**157.2**	**167.0**	**190.6**	**302.0**	**83.1**	**71.5**	**178.3**	**141.6**
Less: depreciation and amortization expense	36.6	42.4	71.4	71.0	115.4	30.1	27.8	63.7	53.1
Earnings from operations	**85.5**	**114.8**	**95.6**	**119.6**	**186.6**	**53.0**	**43.7**	**114.6**	**88.5**
Less: net finance costs	23.8	20.9	28.1	40.1	32.2	13.4	7.2	24.2	14.7
Less: provision for income taxes	14.5	23.1	14.6	15.4	33.0	10.1	6.9	21.5	15.6
Net income	**47.2**	**70.8**	**52.9**	**64.1**	**121.4**	**29.5**	**29.6**	**68.9**	**58.2**

(C$ mm)	Q1 F2022	Q2 F2022	Q3 F2022	Q4 F2022	Q1 F2023	Q2 F2023
LTM Order Bookings	1,938	2,045	2,281	2,456	2,555	2,849
LTM Revenues	1,617	1,803	1,980	2,183	2,283	2,350
LTM Book to Bill	**1.20**	**1.13**	**1.15**	**1.13**	**1.12**	**1.21**

(C$ mm)	Q2 F2023	Q2 F2022	YTD F2023	YTD F2022
Organic revenue	541.8	415.4	1,080.1	831.2
Revenues of acquired companies	68.6	120.4	155.9	234.8
FX impact	(21.5)	(13.7)	(36.5)	(33.3)
Total revenue	**588.9**	**522.1**	**1,199.5**	**1,032.7**
Organic revenue growth	**3.8%**		**4.6%**	

(C$ mm)	Q1 F2022	Q2 F2022	Q3 F2022	Q4 F2022	Q1 F2023	Q2 F2023
Opening Order Backlog	1,160	1,248	1,295	1,475	1,438	1,555
Revenues	(511)	(522)	(547)	(603)	(611)	(589)
Order Bookings	**637**	**510**	**671**	**638**	**736**	**804**
Order Backlog Adjustments	(38)	59	56	(72)	(8)	23
Ending Order Backlog	**1,248**	**1,295**	**1,475**	**1,438**	**1,555**	**1,793**

Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures

(C$ mm)	Q2 F2023	Q2 F2022	YTD F2023	YTD F2022
Adjusted earnings from operations	**75.1**	**70.7**	**162.6**	**136.1**
Restructuring charges	1.3	—	1.3	—
Acquisition-related transaction costs	0.5	2.1	0.9	4.2
Amortization of acquisition-related intangible assets	16.4	15.2	36.7	28.0
Acquisition-related inventory fair value charges	3.9	9.7	9.1	15.4
Earnings from operations	**53.0**	**43.7**	**114.6**	**88.5**
Less: net finance costs	13.4	7.2	24.2	14.7
Less: provision for income taxes	10.1	6.9	21.5	15.6
Net income	**29.5**	**29.6**	**68.9**	**58.2**

(C$ mm)	F2018	F2019	F2020	F2021	F2022	Q2 F2023
Cash and cash equivalents	330.2	224.5	358.6	187.5	135.3	95.2
Bank indebtedness	(2.7)	(2.0)	(4.6)	(1.1)	(1.8)	(17.9)
Current portion of long-term debt	(0.4)	(18.6)	(0.1)	(0.1)	—	—
Long-term debt	(315.1)	(328.2)	(598.0)	(430.6)	(1,016.7)	(1,174.7)
Net cash (debt) prior to IFRS 16	12.0	(124.3)	(244.1)	(244.3)	(883.2)	(1,097.4)
Lease liabilities	—	—	(62.9)	(73.0)	(82.9)	(75.7)
Net cash (debt)	**12.0**	**(124.3)**	**(307.0)**	**(317.3)**	**(966.1)**	**(1,173.1)**

(C$ mm)	Q2 F2023	Q2 F2022	YTD F2023	YTD F2022
Cash flows provided by (used in) operating activities	(38.0)	55.7	(69.8)	104.1
Acquisition of property, plant and equipment	(6.6)	(8.8)	(14.1)	(19.8)
Acquisition of intangible assets	(2.4)	(2.5)	(7.2)	(5.8)
Free cash flow	**(47.0)**	**44.4**	**(91.1)**	**78.5**

(C$ mm)	F2018	F2019	F2020	F2021	F2022	Q2 F2023
Net Debt	12.0	(124.3)	(307.0)	(317.3)	(966.1)	(1,173.1)
Adjusted EBITDA (LTM)	133.3	161.9	195.1	200.7	343.9	372.2
Historical Leverage (Net Debt/Adj. EBITDA)	**-0.1x**	**0.8x**	**1.6x**	**1.6x**	**2.8x**	**3.2x**

Appendix: Reconciliation of Non-IFRS Measures to IFRS Measures

Measure (C$ mm)	F2022	Q2 F2023
Accounts receivable	348.6	373.8
Income tax receivable	9.0	6.8
Contract assets	360.8	548.7
Inventories	207.9	236.5
Deposits, prepaids and other assets	84.8	88.9
Accounts payable and accrued liabilities	(501.5)	(516.3)
Income tax payable	(48.6)	(39.2)
Contract liabilities	(248.3)	(294.0)
Provisions	(24.8)	(17.9)
Working Capital	**187.9**	**387.3**
Revenue run rate = (prior + current quarter) x 2	2,300.0	2,399.0
Working Capital %	**8.2%**	**16.1%**

(C$)	Q2 F2023	Q2 F2022	YTD F2023	YTD F2022
Basic earnings per share	**0.32**	**0.32**	**0.75**	**0.63**
Restructuring charges	0.01	—	0.01	—
Acquisition-related transaction costs	0.01	0.02	0.01	0.05
Amortization of acquisition-related intangible assets	0.18	0.16	0.40	0.30
Acquisition-related inventory fair value charges	0.04	0.10	0.10	0.16
	0.56	**0.60**	**1.27**	**1.14**
Less: adjustment to provision for income taxes	(0.06)	(0.07)	(0.13)	(0.13)
Adjusted basic earnings per share	**0.50**	**0.53**	**1.14**	**1.01**

Appendix: Reclassification of Amounts by Market

Quarterly revenues	Q3 FY22	Q4 FY22	Q1 FY23
Life Sciences revenues - As originally presented	302.5	320.3	278.5
Add: SP revenues reclassified from Consumer Products	3.9	18.7	18.5
Life Sciences revenues - reclassified	**306.4**	**339.0**	**297.0**
Consumer Products revenues - As originally presented	60.0	82.9	94.2
Less: SP Revenues reclassified to Life Sciences	(3.9)	(18.7)	(18.5)
Consumer Products revenues - reclassified	**56.1**	**64.2**	**75.7**

Quarterly Order Bookings	Q3 FY22	Q4 FY22	Q1 FY23
Life Sciences Order Bookings - As originally presented	238.0	298.0	284.0
Add: SP Order Bookings reclassified from Consumer Products	6.0	20.0	19.0
Life Sciences Order Bookings - reclassified	**244.0**	**318.0**	**303.0**
Consumer Products Order Bookings - As orignally presented	146.0	121.0	86.0
Less: SP Order Bookings reclassified to Life Sciences	(6.0)	(20.0)	(19.0)
Consumer Products Order Bookings - reclassified	**140.0**	**101.0**	**67.0**

Order Backlog	Q3 FY22	Q4 FY22	Q1 FY23
Life Sciences Order Backlog - As originally presented	790.0	734.0	733.0
Add: SP Order Backlog reclassified from Consumer Products	15.0	15.0	16.0
Life Sciences Order Backlog - reclassified	**805.0**	**749.0**	**749.0**
Consumer Products Order Backlog - As originally presented	180.0	211.0	203.0
Less: SP Order Backlog reclassified to Life Sciences	(15.0)	(15.0)	(16.0)
Consumer Products Order Backlog - reclassified	**165.0**	**196.0**	**187.0**