



PRESS RELEASE

## ATS Reports Fourth Quarter and Annual Results

05/18/2023

Cambridge, ON / CNW / - ATS Corporation (TSX: ATS) ("ATS" or the "Company") today reported its financial results for the three and twelve months ended March 31, 2023.

### Fourth quarter highlights:

- Revenues increased 21.2% year over year to \$730.8 million.
- Net Income was \$29.6 million compared to \$39.9 million a year ago.
- Basic earnings per share were 32 cents, compared to 44 cents a year ago.
- Adjusted basic earnings per share<sup>1</sup> were 73 cents compared to 60 cents a year ago.
- Order Bookings<sup>1</sup> were \$737 million, 15.5% higher compared to \$638 million a year ago.
- Order Backlog<sup>1</sup> increased 49.7% to \$2,153 million compared to \$1,438 million a year ago.

"Fourth quarter revenues and Order Backlog reached record levels and growth in adjusted earnings was in line with our expectations." said Andrew Hider, Chief Executive Officer. "To offset ongoing supply chain and inflationary impacts, our teams continued to diligently apply the ATS Business Model ("ABM"). We completed the acquisitions of Zi-Argus Ltd. ("ZIA") and Triad Unlimited LLC ("Triad"), which add to our capabilities, global presence and value creation potential."

### Year-to-date highlights:

- Revenues increased 18.1% year over year to \$2,577.4 million.
- Net Income increased 5.2% year over year to \$127.7 million.
- Basic earnings per share increased 5.3% year over year to \$1.39.
- Adjusted basic earnings per share<sup>1</sup> increased 3.0% year over year to \$2.37.
- Order Bookings<sup>1</sup> were \$3,256 million, compared to \$2,456 million a year ago.

Commenting on annual results, Mr. Hider said: "Fiscal 2023 saw ATS achieve the highest bookings and revenues in company history with strong penetration in growing markets for automation. This performance demonstrated the hard work and ingenuity of our people in helping our customers set standards for reliability, quality, speed and cost effectiveness. With record Order Backlog to start fiscal 2024, we have the necessary foundation to deliver profitable growth and continue to expand our solutions for customers, using our combination of specialized skills, digital tools and full lifecycle services."

<sup>1</sup> Non-IFRS measure: see "Notice to Reader: Non-IFRS and Other Financial Measures".



## Financial results

(In millions of dollars, except per share and margin data)

	Q4 2023	Q4 2022	Variance	Fiscal 2023	Fiscal 2022	Variance
Revenues	\$ 730.8	\$ 603.2	21.2%	\$ 2,577.4	\$ 2,182.7	18.1%
Net income	\$ 29.6	\$ 39.9	(25.8)%	\$ 127.7	\$ 121.4	5.2%
Adjusted earnings from operations <sup>1,2</sup>	\$ 101.9	\$ 81.6	24.9%	\$ 343.4	\$ 308.0	11.5%
Adjusted earnings from operations margin <sup>1,2</sup>	13.9%	13.5%	42bps	13.3%	14.1%	(79)bps
Adjusted EBITDA <sup>1,2</sup>	\$ 118.2	\$ 94.9	24.6%	\$ 401.2	\$ 359.5	11.6%
Adjusted EBITDA margin <sup>1,2</sup>	16.2%	15.7%	44bps	15.6%	16.5%	(90)bps
Basic earnings per share	\$ 0.32	\$ 0.44	(27.3)%	\$ 1.39	\$ 1.32	5.3%
Adjusted basic earnings per share <sup>1,2</sup>	\$ 0.73	\$ 0.60	21.7%	\$ 2.37	\$ 2.30	3.0%
Order Bookings <sup>1</sup>	\$ 737.0	\$ 638.0	15.5%	\$ 3,256.0	\$ 2,456.0	32.6%

As At	March 31 2023	March 31 2022	Variance
Order Backlog <sup>1</sup>	\$ 2,153	\$ 1,438	49.7%

<sup>1</sup> Non-IFRS Financial Measure - See "Non-IFRS and Other Financial Measures."

<sup>2</sup> Certain Non-IFRS Financial Measures have been revised from previously disclosed values to exclude the impact on stock-based compensation expense of the revaluation of deferred stock units and restricted share units resulting specifically from the change in market price of the Company's shares between periods. Management believes that this adjustment provides further insight into the Company's performance, as share price volatility drives variability in the Company's stock-based compensation expense.

## Fourth quarter summary

Fiscal 2023 fourth quarter revenues were 21.2% or \$127.6 million higher than in the corresponding period a year ago. This performance reflected year over year organic revenue growth (growth excluding contributions from acquired companies and foreign exchange translation) of \$99.5 million or 16.5%, and revenues earned by acquired companies of \$4.8 million, attributable to IPCOS Group N.V. ("IPCOS"), which was acquired at the end of the third quarter of fiscal 2023. Foreign exchange translation positively impacted revenues by \$23.3 million or 3.9%, primarily reflecting the strengthening of the U.S. dollar and Euro relative to the Canadian dollar. Revenues generated from construction contracts increased 32.4% or \$115.1 million due to organic revenue growth combined with positive foreign exchange translation impact. Revenues from services increased 0.8% or \$1.1 million. Revenues from the sale of goods increased 10.2% or \$11.4 million due to organic revenue growth and positive foreign exchange translation impact.

By market, revenues generated in life sciences decreased \$14.5 million or 4.3% year over year. This was partially due to higher revenues earned on a large \$120 million program in progress a year ago. Revenues in transportation increased \$120.5 million or 153.3% on higher Order Backlog entering the fourth quarter of fiscal 2023, driven primarily by previously announced EV Order Bookings of U.S. \$578.2 million. Revenues generated in food & beverage increased \$3.9 million or 4.1% on higher Order Backlog entering the fourth quarter of fiscal 2023. Revenues generated in consumer products increased \$18.0 million or 28.0% due to organic revenue growth and timing of customer projects. Revenues in energy decreased \$0.3 million or 1.1%.



Net income for the fourth quarter of fiscal 2023 was \$29.6 million (32 cents per share basic), compared to \$39.9 million (44 cents per share basic) for the fourth quarter of fiscal 2022. The decrease reflected increased selling, general and administrative ("SG&A") expenses, restructuring costs, stock based compensation and financing costs, partially offset by higher revenues and decreased income tax expense. Adjusted basic earnings per share were 73 cents compared to 60 cents in the year of fiscal 2022 (see "Reconciliation of Non-IFRS Measures to IFRS Measures").

Depreciation and amortization expense was \$33.9 million in the fourth quarter of fiscal 2023, compared to \$32.5 million a year ago.

EBITDA was \$85.8 million (11.7% EBITDA margin) in the fourth quarter of fiscal 2023 compared to \$92.3 million (15.3% EBITDA margin) in the fourth quarter of fiscal 2022. EBITDA for the fourth quarter of fiscal 2023 included \$15.8 million of restructuring charges, \$1.5 million of incremental costs related to the Company's acquisition activity, and \$15.1 million of stock-based compensation revaluation expenses. EBITDA for the corresponding period in the prior year included \$1.9 million of restructuring charges, \$1.4 million of incremental costs related to acquisition activity, \$5.2 million of acquisition-related inventory fair value changes, \$(4.2) million of stock-based compensation revaluation expenses and \$(1.7) of contingent consideration adjustments. Excluding these costs, adjusted EBITDA was \$118.2 million (16.2% adjusted EBITDA margin), compared to \$94.9 million (15.7% adjusted EBITDA margin) for the corresponding period in the prior year. Higher adjusted EBITDA reflected higher revenues, partially offset by increased SG&A expenses. EBITDA is a non-IFRS measure - see "Non-IFRS and Other Financial Measures."

### Order Backlog Continuity (In millions of dollars)

	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Opening Order Backlog	\$ 2,143	\$ 1,475	\$ 1,438	\$ 1,160
Revenues	(731)	(603)	(2,577)	(2,183)
Order Bookings	737	638	3,256	2,456
Order Backlog adjustments <sup>1</sup>	4	(72)	36	5
Total	\$ 2,153	\$ 1,438	\$ 2,153	\$ 1,438

<sup>1</sup> Order Backlog adjustments include incremental Order Backlog of acquired companies (\$9 million acquired with ZIA and \$5 million acquired with Triad in the three and twelve months ended March 31, 2023, \$14 million acquired with IPCOS in the twelve months ended March 31, 2023, and in fiscal 2022, \$104 million acquired with SP Industries, Inc. ("SP"), \$24 million acquired with BioDot Inc., and \$13 million acquired with NCC Automated Systems Inc. as well as foreign exchange adjustments, scope changes and cancellations.

### Order Bookings

Fourth quarter fiscal 2023 Order Bookings were \$737 million. The 15.5% year over year increase reflected organic Order Bookings growth of 11.1% and 0.7% growth from acquired companies ("acquired companies" in this news release refers to companies that were not part of the consolidated group in the comparable prior-year periods), in addition to a 3.7% increase due to foreign exchange rate translation of Order Bookings from foreign-based ATS subsidiaries, primarily reflecting the strengthening of the U.S. dollar and Euro relative to the Canadian dollar. Order Bookings from acquired companies totalled \$4.8 million. By market, Order Bookings in life sciences decreased compared to the prior-year period primarily due to the timing of customer decisions. Order Bookings in transportation increased due to the previously announced U.S. \$119.9 million in Order Bookings from an existing global automotive customer to move towards fully automated battery assembly systems for their North American manufacturing operations. These Order Bookings are expected to be executed over the next

18-24 months and are in addition to U.S. \$458.3 million of Order Bookings from the same customer announced through the first three quarters of fiscal 2023. Order Bookings in food & beverage increased primarily due to the timing of customer decisions. Order Bookings in consumer products decreased primarily due to a large customer project awarded in the fourth quarter of fiscal 2022. Order Bookings in energy increased due to contributions from IPCOS totalling \$3.7 million. Organic Order Bookings growth is a non-IFRS financial measure - see Non-IFRS and Other Financial Measures.

Trailing twelve month book-to-bill ratio at March 31, 2023 was 1.26:1. Book-to-bill ratio is a supplementary financial measure - see "Non-IFRS and Other Financial Measures."

### **Backlog**

At March 31, 2023, Order Backlog was \$2,153 million, 49.7% higher than at March 31, 2022. Order Backlog growth was primarily driven by higher Order Bookings in fiscal 2023 within the transportation market, primarily from EV projects.

### **Outlook**

The life sciences opportunity funnel remains strong as a result of solid activity across all submarkets, including medical devices, pharmaceuticals and radiopharmaceuticals. Management continues to see opportunities with both new and existing customers, including opportunities to deliver life sciences solutions that leverage integrated capabilities from ATS' various life sciences businesses. Management believes the Company's strategic acquisitions position ATS well as an integrated life sciences solutions provider. In transportation, the funnel largely includes strategic opportunities related to electric vehicles, as the global automotive industry continues to pivot towards EV production. Management believes the Company's automated EV battery pack and assembly capabilities position ATS well to be a critical partner within the industry. Funnel activity in food & beverage remains strong, and the Company enters fiscal 2024 with its highest Order Backlog since entering the food & beverage market. Timing of the summer harvest season drives some seasonality in this vertical. Funnel activity in consumer products is stable. Funnel activity in energy is stable and includes some longer-term opportunities in the nuclear industry. The Company is focused on clean energy applications including solutions for the refurbishment of nuclear power plants, early participation in the small modular reactor market, and grid battery storage. Across all markets, customers are exercising normal caution in their approach to investment and spending. Funnel growth in markets where environmental, social and governance ("ESG") requirements are an increasing focus for customers – including grid battery storage, EV and nuclear, as well as consumer goods packaging – provide ATS with opportunities to use its capabilities to respond to customer sustainability standards and goals. Customers seeking to de-risk or enhance the resiliency of their supply chains, address a shortage of skilled workers or combat higher labour costs also provide future opportunities for ATS to pursue. Management believes that the underlying trends driving customer demand for ATS solutions including rising labour costs, labour shortages, production onshoring or reshoring and the need for scalable, high-quality, energy-efficient production remain favourable.

Order Backlog of \$2,153 million is expected to help mitigate some of 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, including several in the early stages of execution. This has extended the average period over which the Company expects to convert its Order Backlog to revenues, providing the Company with longer visibility. As a result of the extended average project conversion period, combined with higher



Order Backlog, the Company's recent quarterly Order Backlog conversion percentage has decreased. In the first quarter of fiscal 2024, management expects the conversion of Order Backlog to revenues to be in the 32% to 35% range. This estimate is calculated each quarter based on management's assessment of project schedules across all customer contracts, expectations for faster-turn product and services revenues, expected delivery timing of third-party equipment and operational capacity.

The timing of customer decisions on larger opportunities is expected to cause variability in Order Bookings from quarter to quarter. Revenues in a given period are dependent on a combination of the volume of outstanding projects the Company is contracted to, the size and duration of those projects, and the timing of 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 provide access to attractive end-markets and new products and technologies and deliver hurdle rate returns. 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 customers' capital expenditure cycles.

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. 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, pursuing continuous improvement in all business activities through the ABM including in acquired businesses. The Company continues to make progress in line with its plans to integrate acquired companies, and expects to realize cost and revenue synergies consistent with announced integration plans.

In the short term, ATS will continue to address disruptions to global supply chains and cost pressures due to inflation, which are leading to longer lead times and cost increases on certain raw materials and components. To date, the Company has mitigated many of these supply chain disruptions through the use of alternative supply sources and savings on materials not affected by cost increases. However, prolonged cost increases, and price volatility have and may continue to disrupt the timing and progress of the Company's margin expansion efforts and affect revenue recognition. Achieving and sustaining management's 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 that offset the pressures resulting from disruptions in the global supply chain (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 regularly monitors customers for changes in credit risk and does not believe that any single industry or geographic region represents significant credit risk.

In the short term, the Company expects non-cash working capital to remain above 10% as programs progress through milestones. Over the long term, the Company generally expects to continue investing in non-cash working capital to support growth, with fluctuations expected on a quarter-over-quarter basis. The Company's long-term goal is to maintain its investment in non-cash working capital as a percentage of annualized revenues below 15%. However, given the size and timing of milestone payments for certain large EV programs, the Company could see its working capital exceed 15% of

annualized revenues in certain periods. 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 to fund strategic investment plans including some potential acquisitions. Acquisitions could result in additional debt or equity financing requirements for the Company. Non-cash working capital as a percentage of revenues is a Non-IFRS ratio - see "Non-IFRS and Other Financial Measures."

### **Reorganization Activity**

The Company regularly reviews its operations to ensure alignment with market opportunities and to achieve optimal structural and cost efficiencies. As a part of this review, the Company previously announced a plan to improve the cost structure of the organization through targeted reductions which primarily impacted certain management positions. Resulting actions started in the second quarter of fiscal 2023 and continued through fiscal year end. Restructuring expenses recorded in relation to the reorganization were \$27.5 million with \$15.8 million compared to the originally estimated range of \$20 to \$25 million, recorded in the fourth quarter. The estimated payback period of the restructuring plan is approximately 18 months, consistent with the Company's original estimates.

### **Quarterly Conference Call**

ATS will host a conference call and webcast at 8:30 a.m. eastern on Thursday, May 18, 2023 to discuss its quarterly results. The listen-only webcast can be accessed live at [www.atsautomation.com](http://www.atsautomation.com). The conference call can be accessed live by dialing (416) 764-8688 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 May 25, 2023) by dialing (416) 764-8677 and entering passcode 588585 followed by the number sign.

### **About ATS**

ATS Corporation 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 6,500 people at more than 60 manufacturing facilities and over 80 offices in North America, Europe, Asia and Oceania. The Company's common shares are traded on the Toronto Stock Exchange under the symbol ATS. Visit the Company's website at [www.atsautomation.com](http://www.atsautomation.com).

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## Consolidated Revenues (In millions of dollars)

Revenues by type	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Revenues from construction contracts	\$ 470.7	\$ 355.6	\$ 1,630.4	\$ 1,359.7
Services rendered	137.4	136.3	492.3	485.7
Sale of goods	122.7	111.3	454.7	337.3
<b>Total revenues</b>	<b>\$ 730.8</b>	<b>\$ 603.2</b>	<b>\$ 2,577.4</b>	<b>\$ 2,182.7</b>

Revenues by market	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Life Sciences <sup>1</sup>	\$ 324.5	\$ 339.0	\$ 1,209.9	\$ 1,135.5
Transportation	199.1	78.6	578.2	293.8
Food & Beverage	99.1	95.2	371.3	395.0
Consumer Products <sup>1</sup>	82.2	64.2	305.1	246.5
Energy	25.9	26.2	112.9	111.9
<b>Total revenues</b>	<b>\$ 730.8</b>	<b>\$ 603.2</b>	<b>\$ 2,577.4</b>	<b>\$ 2,182.7</b>

<sup>1</sup> \$18.7 million of revenues earned by SP in the three months ended March 31, 2022 and \$22.5 million of revenues earned by SP in the twelve months ended March 31, 2022 have been reclassified from Consumer Products to Life Sciences and are reflected in the revenues above.

Revenues by customer location	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
North America	\$ 438.1	\$ 333.3	\$ 1,525.5	\$ 1,114.3
Europe	237.8	207.3	811.7	822.9
Asia/Other	54.9	62.6	240.2	245.5
<b>Total revenues</b>	<b>\$ 730.8</b>	<b>\$ 603.2</b>	<b>\$ 2,577.4</b>	<b>\$ 2,182.7</b>

## Consolidated Operating Results (In millions of dollars)

	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
<b>Earnings from operations</b>	<b>\$ 51.9</b>	<b>\$ 59.8</b>	<b>\$ 222.5</b>	<b>\$ 186.6</b>
Amortization of acquisition-related intangible assets	17.6	19.2	67.7	63.9
Acquisition-related transaction costs	1.5	1.4	3.1	12.0
Acquisition-related inventory fair value charges	—	5.2	9.2	25.7
Contingent consideration adjustment	—	(1.7)	—	(1.7)
Restructuring charges	15.8	1.9	27.5	5.9
Mark to market portion of stock-based compensation	15.1	(4.2)	13.4	15.6
<b>Adjusted earnings from operations<sup>1,2</sup></b>	<b>\$ 86.8</b>	<b>\$ 85.8</b>	<b>\$ 330.0</b>	<b>\$ 292.4</b>

<sup>1</sup> Non-IFRS Financial Measure, See "Non-IFRS and Other Financial Measures"

<sup>2</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."



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	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
<b>Earnings from operations</b>	\$ 51.9	\$ 59.8	\$ 222.5	\$ 186.6
Depreciation and amortization	33.9	32.5	125.5	115.4
<b>EBITDA<sup>1</sup></b>	\$ 85.8	\$ 92.3	\$ 348.0	\$ 302.0
Restructuring charges	15.8	1.9	27.5	5.9
Acquisition-related transaction costs	1.5	1.4	3.1	12.0
Acquisition-related inventory fair value charges	—	5.2	9.2	25.7
Mark to market portion of stock-based compensation <sup>2</sup>	15.1	(4.2)	13.4	15.6
Contingent consideration adjustment	—	(1.7)	—	(1.7)
<b>Adjusted EBITDA<sup>1,2</sup></b>	\$ 118.2	\$ 94.9	\$ 401.2	\$ 359.5

<sup>1</sup> Non-IFRS Financial Measure, See "Non-IFRS and Other Financial Measures"

<sup>2</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."

### Order Backlog by Market

(In millions of dollars)

As at	March 31, 2023	March 31, 2022 <sup>1</sup>
Life Sciences	\$ 761	\$ 749
Transportation <sup>2</sup>	939	208
Food & Beverage	215	183
Consumer Products	156	196
Energy	82	102
<b>Total</b>	\$ 2,153	\$ 1,438

<sup>1</sup> \$15.0 million of Order Backlog related to SP as at March 31, 2022 was reclassified from Consumer Products to Life Sciences.

<sup>2</sup> The increase in transportation Order Backlog was primarily driven by EV Order Bookings.

### Order Bookings by Quarter

(In millions of dollars)

	Fiscal 2023	Fiscal 2022
Q1	\$ 736	\$ 637
Q2	804	510
Q3	979	671
Q4	737	638
<b>Total Order Bookings</b>	\$ 3,256	\$ 2,456

**Reconciliation of Non-IFRS Measures to IFRS Measures**

(In millions of dollars, except per share data)

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

	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
<b>Adjusted EBITDA<sup>1</sup></b>	\$ 118.2	\$ 94.9	\$ 401.2	\$ 359.5
Less: restructuring charges	15.8	1.9	27.5	5.9
Less: acquisition-related transaction costs	1.5	1.4	3.1	12.0
Less: acquisition-related inventory fair value charges	—	5.2	9.2	25.7
Less: mark to market portion of stock-based compensation	15.1	(4.2)	13.4	15.6
Add: contingent consideration adjustment	—	(1.7)	—	(1.7)
<b>EBITDA</b>	\$ 85.8	\$ 92.3	\$ 348.0	\$ 302.0
Less: depreciation and amortization expense	33.9	32.5	125.5	115.4
<b>Earnings from operations</b>	\$ 51.9	\$ 59.8	\$ 222.5	\$ 186.6
Less: net finance costs	18.8	9.6	62.7	32.2
Less: provision for income taxes	3.5	10.3	32.1	33.0
<b>Net income</b>	\$ 29.6	\$ 39.9	\$ 127.7	\$ 121.4

<sup>1</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."



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

	Three Months Ended March 31, 2023					Three Months Ended March 31, 2022				
	Earnings from operations	Finance costs	Provision for income taxes	Net income	Basic EPS	Earnings from operations	Finance costs	Provision for income taxes	Net income	Basic EPS
Reported (IFRS)	\$ 51.9	\$ (18.8)	\$ (3.5)	\$ 29.6	\$ 0.32	\$ 59.8	\$ (9.6)	\$ (10.3)	\$ 39.9	\$ 0.44
Amortization of acquisition-related intangibles	17.6	—	—	17.6	0.19	19.2	—	—	19.2	0.21
Restructuring charges	15.8	—	—	15.8	0.17	1.9	—	—	1.9	0.02
Acquisition-related inventory fair value charges	—	—	—	—	—	5.2	—	—	5.2	0.06
Acquisition-related transaction costs	1.5	—	—	1.5	0.02	1.4	—	—	1.4	0.02
Mark to market portion of stock-based compensation	15.1	—	—	15.1	0.17	(4.2)	—	—	(4.2)	(0.05)
Contingent consideration adjustment	—	—	—	—	—	(1.7)	—	—	(1.7)	(0.02)
Tax effect adjustments <sup>1</sup>	—	—	(12.9)	(12.9)	(0.14)	—	—	(6.0)	(6.0)	(0.08)
Adjusted (non-IFRS) <sup>2</sup>	\$ 101.9			\$ 66.7	\$ 0.73	\$ 81.6			\$ 55.7	\$ 0.60

<sup>1</sup> 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.

<sup>2</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."

	Year Ended March 31, 2023					Year Ended March 31, 2022				
	Earnings from operations	Finance costs	Provision for income taxes	Net income	Basic EPS	Earnings from Operations	Finance costs	Provision for income taxes	Net Income	Basic EPS
Reported (IFRS)	\$ 222.5	\$ (62.7)	\$ (32.1)	\$ 127.7	\$ 1.39	\$ 186.6	\$ (32.2)	\$ (33.0)	\$ 121.4	\$ 1.32
Amortization of acquisition-related intangibles	67.7	—	—	67.7	0.74	63.9	—	—	63.9	0.69
Restructuring charges	27.5	—	—	27.5	0.30	5.9	—	—	5.9	0.07
Acquisition-related fair value inventory charges	9.2	—	—	9.2	0.10	25.7	—	—	25.7	0.28
Acquisition-related transaction costs	3.1	—	—	3.1	0.03	12.0	—	—	12.0	0.13
Mark to market portion of stock-based compensation	13.4	—	—	13.4	0.14	15.6	—	—	15.6	0.17
Contingent consideration adjustment	—	—	—	—	—	(1.7)	—	—	(1.7)	(0.02)
Tax effect of the above adjustments <sup>1</sup>	—	—	(30.7)	(30.7)	(0.33)	—	—	(31.3)	(31.3)	(0.34)
Adjusted (non-IFRS) <sup>2</sup>	\$ 343.4			\$ 217.9	\$ 2.37	\$ 308.0			\$ 211.5	\$ 2.30

<sup>1</sup> 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.

<sup>2</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."



The following table reconciles organic revenue to the most directly comparable IFRS measure (revenue):

	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Organic revenue	\$ 702.7	\$ 441.7	\$ 2,382.1	\$ 1,721.9
Revenues of acquired companies	4.8	172.1	201.7	521.7
Impact of foreign exchange rate changes	23.3	(10.6)	(6.4)	(60.9)
Total revenue	\$ 730.8	\$ 603.2	\$ 2,577.4	\$ 2,182.7
Organic revenue growth	16.5%		9.2%	

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

As at	March 31 2023	March 31 2022
Accounts receivable	\$ 399.7	\$ 348.6
Income tax receivable	15.2	9.0
Contract assets	527.0	360.8
Inventories	256.9	207.9
Deposits, prepaids and other assets	93.4	84.8
Accounts payable and accrued liabilities	(647.6)	(501.5)
Income tax payable	(38.9)	(48.6)
Contract liabilities	(296.6)	(248.3)
Provisions	(30.6)	(24.8)
<b>Non-cash working capital</b>	<b>\$ 278.5</b>	<b>\$ 187.9</b>
Trailing six-month revenues annualized	\$ 2,755.6	\$ 2,300.0
<b>Working capital %</b>	<b>10.1%</b>	<b>8.2%</b>

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

As at	March 31 2023	March 31 2022
Cash and cash equivalents	\$ 159.9	\$ 135.3
Bank indebtedness	(5.8)	(1.8)
Current portion of lease liabilities	(24.0)	(20.0)
Current portion of long-term debt	(0.1)	(0.0)
Long-term lease liabilities	(73.3)	(62.9)
Long-term debt	(1,155.7)	(1,016.7)
<b>Net Debt</b>	<b>\$ (1,099.0)</b>	<b>\$ (966.1)</b>
Adjusted EBITDA (TTM) <sup>1</sup>	\$ 401.2	\$ 359.5
<b>Net Debt to Adjusted EBITDA<sup>1</sup></b>	<b>2.7x</b>	<b>2.7x</b>

<sup>1</sup> The composition of these Non-IFRS Measures has been revised from what was previously disclosed. See "Non-IFRS and Other Financial Measures."



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

(in millions of dollars)	Q4 2023		Q4 2022		Fiscal 2023		Fiscal 2022	
Cash flows provided by operating activities	\$	81.4	\$	30.0	\$	127.8	\$	216.2
Acquisition of property, plant and equipment		(23.4)		(8.4)		(56.1)		(36.3)
Acquisition of intangible assets		(10.1)		(7.9)		(24.2)		(17.0)
<b>Free cash flow</b>	\$	47.9	\$	13.7	\$	47.5	\$	162.9

Certain Non-IFRS Financial Measures have been revised from previously disclosed values to exclude the impact on stock-based compensation expense of the revaluation of deferred stock units and restricted share units resulting specifically from the change in market price of the Company's shares between periods. Management believes the adjustment provides further insight into the Company's performance.

The following table reconciles total stock-based compensation expense to its components:

(in millions of dollars)	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Total stock-based compensation expense	\$ 19.3	\$ 9.9	\$ 5.3	\$ (4.0)	\$ 0.8	\$ 12.7	\$ 10.5	\$ 8.8
Less: Mark to market portion of stock-based compensation	15.1	5.6	1.0	(8.3)	(4.2)	7.3	6.1	6.4
<b>Base stock-based compensation expense</b>	\$ 4.2	\$ 4.3	\$ 4.3	\$ 4.3	\$ 5.0	\$ 5.4	\$ 4.4	\$ 2.4

The following table reconciles the previously reported non-IFRS financial measures to reflect the exclusion of the stock-based compensation revaluation expenses:

(in millions of dollars)	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Previously reported: adjusted earnings from operations</b>	\$ 80.6	\$ 75.1	\$ 87.5	\$ 85.8	\$ 70.4	\$ 70.7	\$ 65.4
Mark to market portion of stock-based compensation	5.6	1.0	(8.3)	(4.2)	7.3	6.1	6.4
<b>Revised: adjusted earnings from operations</b>	\$ 86.2	\$ 76.1	\$ 79.2	\$ 81.6	\$ 77.7	\$ 76.8	\$ 71.8
<b>Previously reported: adjusted EBITDA</b>	\$ 95.1	\$ 88.8	\$ 100.8	\$ 99.1	\$ 83.5	\$ 83.3	\$ 77.9
Mark to market portion of stock-based compensation	5.6	1.0	(8.3)	(4.2)	7.3	6.1	6.4
<b>Revised: adjusted EBITDA</b>	\$ 100.7	\$ 89.8	\$ 92.5	\$ 94.9	\$ 90.8	\$ 89.4	\$ 84.3
<b>Previously reported: adjusted basic earnings per share</b>	\$ 0.52	\$ 0.50	\$ 0.64	\$ 0.64	\$ 0.52	\$ 0.53	\$ 0.48
Mark to market portion of stock-based compensation	0.06	0.01	(0.09)	(0.05)	0.08	0.07	0.07
Tax impact of mark to market portion of stock-based compensation	(0.02)	—	0.02	0.01	(0.02)	(0.02)	(0.02)
<b>Revised: adjusted basic earnings per share</b>	\$ 0.56	\$ 0.51	\$ 0.57	\$ 0.60	\$ 0.58	\$ 0.58	\$ 0.53



## INVESTMENTS, LIQUIDITY, CASH FLOW AND FINANCIAL RESOURCES

(In millions of dollars, except ratios)

As at	March 31, 2023	March 31, 2022
Cash and cash equivalents	\$ 159.9	\$ 135.3
Debt-to-equity ratio <sup>1</sup>	1.18:1	1.14:1

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

	Q4 2023	Q4 2022	Fiscal 2023	Fiscal 2022
Cash, beginning of period	\$ 302.1	\$ 200.1	\$ 135.3	\$ 187.5
Total cash provided by (used in):				
Operating activities	81.4	30.0	127.8	216.2
Investing activities	(66.9)	(1.2)	(109.0)	(797.5)
Financing activities	(155.9)	(90.1)	4.9	531.5
Net foreign exchange difference	(0.8)	(3.5)	0.9	(2.4)
Cash, end of period	\$ 159.9	\$ 135.3	\$ 159.9	\$ 135.3

**ATS CORPORATION**  
**Consolidated Statements of Financial Position**  
(in thousands of Canadian dollars)

As at March 31	March 31 2023	March 31 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 159,867	\$ 135,282
Accounts receivable	399,741	348,631
Income tax receivable	15,160	9,038
Contract assets	526,990	360,820
Inventories	256,866	207,873
Deposits, prepaids and other assets	93,350	84,818
	<b>1,451,974</b>	<b>1,146,462</b>
<b>Non-current assets</b>		
Property, plant and equipment	263,119	222,123
Right-of-use assets	94,212	81,289
Other assets	16,679	18,631
Goodwill	1,118,262	1,024,790
Intangible assets	593,210	568,180
Deferred income tax assets	6,337	7,922
	<b>2,091,819</b>	<b>1,922,935</b>
<b>Total assets</b>	<b>\$ 3,543,793</b>	<b>\$ 3,069,397</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Bank indebtedness	\$ 5,824	\$ 1,766
Accounts payable and accrued liabilities	647,629	501,465
Income tax payable	38,904	48,617
Contract liabilities	296,555	248,329
Provisions	30,600	24,825
Current portion of lease liabilities	23,994	19,964
Current portion of long-term debt	65	43
	<b>1,043,571</b>	<b>845,009</b>
<b>Non-current liabilities</b>		
Employee benefits	25,486	29,132
Long-term lease liabilities	73,255	62,856
Long-term debt	1,155,721	1,016,668
Deferred income tax liabilities	104,459	126,114
Other long-term liabilities	10,718	3,935
	<b>1,369,639</b>	<b>1,238,705</b>
<b>Total liabilities</b>	<b>\$ 2,413,210</b>	<b>\$ 2,083,714</b>
<b>EQUITY</b>		
Share capital	\$ 520,633	\$ 530,241
Contributed surplus	15,468	11,734
Accumulated other comprehensive income	60,040	22,848
Retained earnings	530,707	416,773
Equity attributable to shareholders	<b>1,126,848</b>	<b>981,596</b>
Non-controlling interests	3,735	4,087
<b>Total equity</b>	<b>1,130,583</b>	<b>985,683</b>
<b>Total liabilities and equity</b>	<b>\$ 3,543,793</b>	<b>\$ 3,069,397</b>

Please refer to complete Consolidated Financial Statements for supplemental notes which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.atsautomation.com](http://www.atsautomation.com).

**ATS CORPORATION**  
**Consolidated Statements of Income**  
(in thousands of Canadian dollars, except per share amounts)

Years ended March 31	2023	2022
<b>Revenues</b>		
Revenues from construction contracts	\$ 1,630,406	\$ 1,359,695
Services rendered	492,325	485,717
Sale of goods	454,653	337,305
<b>Total revenues</b>	<b>2,577,384</b>	2,182,717
Operating costs and expenses		
Cost of revenues	1,851,574	1,570,287
Selling, general and administrative	445,242	387,108
Restructuring costs	27,487	5,949
Stock-based compensation	30,592	32,762
<b>Earnings from operations</b>	<b>222,489</b>	186,611
Net finance costs	62,718	32,200
<b>Income before income taxes</b>	<b>159,771</b>	154,411
Income tax expense	32,070	33,019
<b>Net income</b>	<b>\$ 127,701</b>	\$ 121,392
<b>Attributable to</b>		
Shareholders	\$ 127,433	\$ 122,101
Non-controlling interests	268	(709)
	<b>\$ 127,701</b>	<b>\$ 121,392</b>
<b>Earnings per share attributable to shareholders</b>		
Basic	\$ 1.39	\$ 1.32
Diluted	\$ 1.38	\$ 1.32

Please refer to complete Consolidated Financial Statements for supplemental notes which can be found on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.atsautomation.com](http://www.atsautomation.com).

**ATS CORPORATION**  
**Consolidated Statements of Cash Flows**  
(in thousands of Canadian dollars)

Years ended March 31	2023	2022
<b>Operating activities</b>		
Net income	\$ 127,701	\$ 121,392
Items not involving cash		
Depreciation of property, plant and equipment	25,590	20,917
Amortization of right-of-use assets	24,060	22,202
Amortization of intangible assets	75,839	72,302
Deferred income taxes	(37,542)	(35,612)
Other items not involving cash	16,470	27,895
Stock-based compensation	5,088	1,365
Change in non-cash operating working capital	(109,406)	(14,298)
<b>Cash flows provided by operating activities</b>	<b>\$ 127,800</b>	<b>\$ 216,163</b>
<b>Investing activities</b>		
Acquisition of property, plant and equipment	\$ (56,104)	\$ (36,309)
Acquisition of intangible assets	(24,192)	(16,957)
Business acquisitions, net of cash acquired	(51,679)	(745,018)
Settlement of cross-currency interest rate swap instrument	21,493	–
Proceeds from disposal of property, plant and equipment	1,460	817
<b>Cash flows used in investing activities</b>	<b>\$ (109,022)</b>	<b>\$ (797,467)</b>
<b>Financing activities</b>		
Bank indebtedness	\$ 3,399	\$ (1,322)
Repayment of long-term debt	(344,169)	(158,626)
Proceeds from long-term debt	395,559	746,223
Proceeds from exercise of stock options	4,964	2,994
Purchase of non-controlling interest	(452)	(38,187)
Repurchase of common shares	(21,071)	–
Acquisition of shares held in trust	(12,365)	–
Principal lease payments	(20,983)	(19,547)
<b>Cash flows provided by financing activities</b>	<b>\$ 4,882</b>	<b>\$ 531,535</b>
Effect of exchange rate changes on cash and cash equivalents	925	(2,416)
Increase (decrease) in cash and cash equivalents	24,585	(52,185)
Cash and cash equivalents, beginning of year	135,282	187,467
<b>Cash and cash equivalents, end of year</b>	<b>\$ 159,867</b>	<b>\$ 135,282</b>
<b>Supplemental information</b>		
Cash income taxes paid	\$ 58,398	\$ 24,126
Cash interest paid	\$ 58,452	\$ 30,797

**Notice to Reader: Non-IFRS and Other Financial Measures**

Throughout this document, management uses certain non-IFRS financial 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, "EBITDA margin", "adjusted earnings from operations margin", "adjusted EBITDA margin", "organic revenue growth", "non-cash working capital as a percentage of revenues", and "net debt to adjusted EBITDA" are non-IFRS ratios, and "operating margin", "Order Bookings", "organic Order Bookings", "organic Order Bookings growth", "Order Backlog", and "book-to-bill ratio" are supplementary financial measures, all of which 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. 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 period. Organic revenue growth compares the stated period organic revenue with the reported revenue of the comparable prior 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, the mark-to-market adjustment on stock-based compensation and certain other adjustments which would be non-recurring in nature ("adjustment items"). Adjusted earnings from operations 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. Organic Order Bookings are defined as Order Bookings in the stated period excluding Order Bookings from acquired companies for which the acquired company was not a part of the consolidated group in the comparable period. Organic Order Bookings growth compares the stated period organic Order Bookings with the reported Order Bookings of the comparable prior period. 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.

Following amendments to ATS' Restricted Stock Unit ("RSU") Plan in 2022 to provide for settlement in shares purchased in the open market and the creation of the employee benefit trust to facilitate such settlement, ATS began to account for equity-settled RSUs using the equity method of accounting. However, prior RSU grants which will be cash-settled and deferred stock unit ("DSU") grants which will be cash-settled are accounted for as described in the Company's annual consolidated financial statements and have significant volatility period over period based on the fluctuating price of ATS' common shares. As a result, certain Non-IFRS Financial Measures (EBITDA, adjusted EBITDA, net debt to adjusted EBITDA, adjusted earnings from operations and adjusted basic earnings per share) have been revised from previously disclosed values to exclude the impact on stock-based compensation expense of the revaluation of DSUs and RSUs resulting specifically from the change in market price of the Company's shares between periods. Management believes that this adjustment provides further insight into the Company's performance, as share price volatility drives variability in the Company's stock-based compensation expense.

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 organic revenue and organic revenue growth, when considered with IFRS measures, allow the Company to better measure the Company's performance and evaluate long-term performance trends. Organic revenue growth also facilitates easier comparisons of the Company'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 earnings from operations margin, adjusted EBITDA, adjusted net income 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. Organic Order Bookings and organic Order Bookings growth allow the Company to better measure the Company's performance and evaluation long-term performance trends. Organic Order Bookings growth also facilitates easier comparisons of the Company's performance with prior and future periods and relative comparisons to its peers. 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 net income, (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 (v) free cash flow to its IFRS measure components and (vi) organic revenue to revenue, in each case for the three- and twelve-months ended March 31, 2023 and March 31, 2022 is contained in this news release (see “Reconciliation of Non-IFRS Measures to IFRS Measures”). This news release also contains a reconciliation of (i) non-cash working capital as a percentage of revenues and (ii) net debt to their IFRS measure components, in each case at both March 31, 2023 and March 31, 2022 (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 twelve-months ended March 31, 2023 and March 31, 2022 is also contained in this news release (see “Order Backlog Continuity”).

**Note to Readers: Forward-Looking Statements**

This news release and results of operations of ATS contain certain statements that may 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: the value creation strategy; the Company’s strategy to expand organically and through acquisition, and the expected benefits to be derived; the ABM; disciplined acquisitions; various market opportunities for ATS; expanding in emerging markets; the Company’s Order Backlog partially mitigating the impact of variable Order Bookings; rate of Order Backlog conversion to revenue; the potential impact of timing of customer decisions on Order Bookings, performance period, and timing of revenue recognition; the announcement of new Order Bookings and the anticipated timeline for delivery; potential impacts on the time to convert opportunities into Order Bookings; expected benefits with respect to the Company’s efforts to grow its product portfolio and after-sale service revenues; Company’s goal of expanding its adjusted earnings from operations margin over the long term and potential impact of supply chain disruptions; expectation of synergies from integration of acquired companies; non-cash working capital levels as a percentage of revenues in the short-term and the long-term; expectation in relation to meeting liquidity and funding requirements for investments; potential to use debt or equity financing to support growth strategy; underlying trends driving customer demand; expected results of reorganization activity and their anticipated timeline; expected capital expenditures for fiscal 2024; the Company’s belief with respect to the outcome of certain lawsuits, claims and contingencies; and the uncertainty and potential impact on the Company’s business and operations due to the current macro-economic environment including the impacts of infectious diseases and pandemics, including the COVID-19 pandemic, inflation, supply chain disruptions, interest rate changes, energy shortages, global price increases, events involving liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transaction counterparties, or other companies in the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems, and the war in Ukraine.

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 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; risks related to customer concentration; risks related to a recession, slowdown, and/or sustained downturn in the economy; 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; the emergence of new infectious diseases and pandemics, including the potential resurgence of COVID-19 and/or new strains of COVID-19 and collateral consequences thereof, including the disruption of economic activity, volatility in capital and credit markets, and legislative and regulatory responses; 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 the ABM is not effective in accomplishing its goals; ATS is unable to expand in emerging markets, or is delayed in relation thereto, due to any number of reasons, including inability to effectively execute organic or inorganic expansion plans, focus on other business priorities, or local government regulations or delays; the effect of the events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transaction counterparties, or other companies in the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems; energy shortages and global price increases; that the timing of completion of new Order Bookings is other than as expected due to various reasons, including schedule changes; the customer exercising any right to withdraw the Order Booking or to terminate the program in whole or in part prior to its completion, thereby preventing ATS from realizing on the full benefit of the program; that some or all of the sales funnel is not converted to Order Bookings due to competitive factors or failure to meet customer needs; that the market opportunities ATS anticipates do not materialize or that ATS is unable to exploit such opportunities; variations in the amount of Order Backlog completed in any given quarter; timing of customer decisions related to large enterprise programs and potential for negative impact associated with any cancellations or non-performance in relation thereto; that the Company is not successful in growing its product portfolio and/or 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; underlying trends driving customer demand will not materialize or have the impact expected; the failure to realize the savings expected from reorganization activity or within the expected timelines; 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; 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, 2023, which are

available on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed at [www.sedar.com](http://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; the assumption of successful implementation of margin improvement initiatives; and general economic conditions and global events, including the COVID-19 pandemic.

Forward-looking statements included herein 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.