ATS to Acquire a Leading Systems Provider to the Radiopharmaceutical and Pharmaceutical Markets

Cambridge, Ontario (December 19, 2018) - ATS Automation Tooling Systems Inc. (TSX: ATA) (“ATS” or the “Company”), an industry-leading automation solutions provider, today announced it has entered into a definitive agreement to acquire Comecer S.p.A. (“Comecer”), a leader in the design, engineering, manufacture and servicing of advanced aseptic containment and processing systems for the nuclear medicine and pharmaceutical industries.

“Comecer is a proven, high-quality business that brings new and complementary capabilities, customer relationships and specialized talent to ATS,” said Andrew Hider, CEO of ATS. “Its addition will strengthen our customer offering in both pharma and biopharma, while adding an innovative new platform in radiopharmaceuticals. These are growing markets with desirable characteristics including stringent quality standards and regulations and where there is a high consequence of failure. We look forward to welcoming Comecer to the ATS family.”

Comecer generates approximately 55% of its annual sales to customers in the radiopharmaceutical market, where it supplies specialized radiation shielding systems used by customers in the production, handling, and dispensing of radiopharmaceutical drugs. Applications for this type of equipment include the diagnosis and therapeutic treatment of a number of conditions including various forms of cancer and cardiovascular disorders. The balance of Comecer’s sales are derived from equipment to support the aseptic processing, filling and handling of specialized pharmaceuticals as well as isolator and incubator equipment used in advanced therapy medicinal production (ATMP), a regenerative cell therapy that uses patient cells to grow new tissues.

Comecer was established in 1974, and today has approximately 320 skilled employees, the majority of whom work at its main production site in Castel-Bolognese, Italy. The main production site is the home of Comecer’s research and development centre. Comecer also has a technical and assembly centre in Joure, Netherlands, and sales and service offices in North America, Europe and Asia.

The total cash purchase price for the acquisition will be 113 million Euro, subject to working capital and other adjustments. The Company will fund the acquisition primarily from cash on hand and its credit facilities. The transaction is expected to close in the first calendar quarter of 2019, subject to customary closing conditions.

For the 2018 calendar year, Comecer is expected to generate revenues of approximately 67 million Euro, with a low double-digit EBITDA margin. In fiscal 2020 (period beginning April 1, 2019), ATS expects adjusted earnings per share accretion in the mid-single digit percentage range as a result of the transaction. Earnings per share are expected to be diluted in the short-term due to the incremental amortization of Order Backlog and other intangible assets as a result of business combination accounting adjustments. Excluding the impact of business
combination accounting, the Company expects the return on invested capital associated with this acquisition to achieve double digits by year five post-acquisition.

Integration of Comecer will target revenue synergies and will include the deployment of the ATS Business Model (ABM) which is expected to enable improvements in project management, operations, supply chain management and product life cycle management.

Comecer will continue to be led by its CEO, Alessia Zanelli. “We are very pleased to be joining ATS to continue the next phase of Comecer’s growth,” said Ms. Zanelli. “By combining ATS and Comecer, we will create a premier player in the radiopharma, pharma and ATMP markets. This will be a tremendous benefit to our customers and a great opportunity for our talented employees. This agreement confirms the potential of our capabilities and will enhance our globally recognized ‘made-in-Italy’ expertise."

Conference Call and Webcast
At 11:00 a.m. eastern on Wednesday, December 19, 2018, the Company will host a conference call and webcast with slides to discuss the transaction with a follow-up question and answer period with analysts.

The listen-only webcast can be accessed live at www.atsautomation.com. The conference call can be accessed live by dialing (647) 427-7450 ten minutes prior. A copy of the slides accompanying management’s remarks are available on the Company’s website under Investor Relations – Events.

A replay of the conference call will be available on the ATS website following the call. Alternatively, a telephone recording of the conference call will be available for one week (until December 26, 2018) by dialing (416) 849-0833 and entering the passcode 5491177 followed by 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, chemicals, consumer products, electronics, food, beverage, transportation, energy, and oil and gas. Founded in 1978, ATS employs approximately 3,900 people at 21 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China. The Company’s shares are traded on the Toronto Stock Exchange under the symbol ATA. Visit the Company's website at www.atsautomation.com.

About Comecer
Comecer is a developer and manufacturer of high-tech systems in the field of Aseptic Processing and Containment for the Pharmaceutical and Nuclear Medicine Industries, specializing in isolation technology solutions for regenerative medicine and tissue engineering. Comecer’s products are used worldwide by hospitals, universities, research institutes, pharma companies and large industrial groups. The majority shareholder of Comecer is represented by Ms. Zanelli, while Principia SGR, through its Principia III – Health fund, investing in SME’s and late stage startup in the healthcare field, owns a minority share of the group. Principia acquired 45% of Comecer at the end of 2015 to support the company in developing the integrated and advanced therapy production. Further information is available from www.comecer.com.
Note to Readers:
Non-IFRS measures:
This news release uses the non-IFRS measures EBITDA, EBITDA margin, adjusted earnings per share, Order Backlog, and return on invested capital associated with this investment. These terms do not have any standardized meanings prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is defined as earnings from operations excluding depreciation and amortization (which includes amortization of intangible assets). EBITDA margin is an expression of an entity's EBITDA as a percentage of revenues. EBITDA is used by the Company to evaluate the performance of operations. Management believes that EBITDA is an important indicator of ability to generate operating cash flows to fund continued investment in operations. Adjusted earnings per share is defined as adjusted net income on a 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. Order Backlog is the estimated unearned portion of revenues on customer contracts that are in process and have not been completed at the specified date. Management believes that ATS shareholders and potential investors in ATS use these non-IFRS financial measures in making investment decisions and measuring operational results. Return on invested capital associated with this investment, as used herein, means in respect of any fiscal year, the net income of Comecer in such fiscal year, divided by the purchase price for the acquisition. Return on invested capital, as used herein, is used by ATS to evaluate the efficiency of the allocation of ATS' capital.

Forward-Looking Statements:
This news release 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 sources of funding for the acquisition; the purchase price and expected timing of the closing of the transaction and adjustments and conditions in relation thereto; expectations relating to Comecer revenue and EBITDA margin; expectations relating to ATS' earnings per share and return on invested capital associated with this investment; the strengthening of ATS' capabilities and position in radiopharma, pharma, biopharma and ATMP markets and market growth; expectations regarding integration and deployment of the ATS Business Model; and Comecer leadership. The risks and uncertainties that may affect forward-looking statements include, among others: impact of the global economy and general market performance including capital market conditions and availability and cost of credit; performance of the market sectors that Comecer and ATS serve; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; failure or delays associated with new customer programs; that integration and the deployment of the ATS Business Model are not completed as quickly or effectively as planned or expected and, as a result, anticipated benefits,
enhancements and synergies are not realized; that Comecer's business does not perform as expected, negatively impacting revenue and EBITDA margin and ATS earnings per share and return on invested capital; inability to close the acquisition, or delays in closing it, resulting from failure or delays in relation to satisfying conditions of closing or other unanticipated factors; that one or more customers, or other persons with which Comecer has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses; political, labour or supplier disruptions; imposition of new duties, tariffs or other legal barriers that impact Comecer’s markets; that growth in the radio pharma, pharma, biopharma and ATMP markets is less than expected; risks relating to legal proceedings to which Comecer and/or ATS is or may become a party; exposure to product liability claims; risks associated with management or leadership of Comecer being different than expected or planned due to unanticipated events; 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.

For more information, contact:
Sonya Mehan, Director, Investor Relations and Corporate Communications
Ryan McLeod, Vice President, Corporate Controller
519-653-6500