



May 1, 2020

ATCO REPORTS FIRST QUARTER 2020 EARNINGS

CALGARY, Alberta - ATCO Ltd. (TSX: ACO.X, ACO.Y)

ATCO today announced first quarter 2020 adjusted earnings of \$106 million, or \$0.93 per share, compared to \$112 million, or \$0.98 per share, in the first quarter of 2019.

Lower adjusted earnings in the first quarter of 2020 were mainly due to the sale of the Canadian fossil fuel-based electricity generation portfolio in the third quarter of 2019 and the sale of Alberta PowerLine in the fourth quarter of 2019.

Excluding the forgone earnings impact from these business sales in 2019, adjusted earnings in the first quarter of 2020 were \$10 million higher than the same period in 2019. Higher earnings were mainly due to continued work on ATCO Structures' LNG Canada Cedar Valley Lodge contract and higher contributions from Canadian Utilities mainly due to continuing cost efficiencies, utility rate base growth and lower income taxes.

COVID-19 AND GLOBAL MACROECONOMIC CONDITIONS

The COVID-19 pandemic, oil price decline and slowing global economic activity have caused far-reaching concern and economic hardship for consumers, businesses and communities across the globe.

“ATCO activated our Pandemic Response Plan in February 2020, rapidly ensuring the health and safety of our employees and our customers,” said Nancy Southern, CEO & Chair, ATCO. “Across all our global operations, the people of ATCO have continued to deliver our essential products and services to our customers, and the communities we serve. I am so very proud of their commitment and resilience in these challenging times.”

Please see management’s discussion and analysis for the quarter ended March 31, 2020 for a summary of the impact of these factors on ATCO's businesses.

RECENT DEVELOPMENTS

ATCO Structures

- Began the manufacturing and installation work on a 12-dorm, 444-person expansion of the BC Hydro Site C Two Rivers Lodge. The additional rooms are anticipated to be handed over by June 1, 2020 and will contribute \$25 million in installation and rental revenue during the 12-month contract term.
- Added two permanent modular construction contracts. Began construction of a \$9 million, 44-unit apartment building in New Westminster, BC as part of the Government of BC's program to provide affordable housing to low income individuals and families across the province. Awarded a \$5 million contract to design, manufacture and install three permanent modular classrooms in Melbourne, Australia with the Victoria Department of Education.

Canadian Utilities

- Completed and placed in-service the Pembina-Keephills transmission pipeline ahead of schedule and below the \$230 million approved budget. The 59-km high-pressure natural gas pipeline supports coal-to-gas conversion of power producers in the Genesee and surrounding areas of Alberta with the capacity to deliver up to 550-TJ per day.

Corporate

- On March 31, 2020 ATCO declared a second quarter dividend for 2020 of 43.52 cents per share or \$1.74 per Class I Non-Voting and Class II Voting Share on an annualized basis.

FINANCIAL SUMMARY AND RECONCILIATION OF ADJUSTED EARNINGS

A financial summary of the consolidated subsidiaries of ATCO and a reconciliation of adjusted earnings to earnings attributable to Class I and Class II Shares is provided below:

(\$ millions except share data)	For the Three Months Ended March 31	
	2020	2019
Consolidated adjusted earnings ⁽¹⁾	106	112
Unrealized gains on mark-to-market forward and swap commodity contracts ⁽²⁾	3	3
Rate-regulated activities ⁽²⁾	(17)	(3)
IT Common Matters decision ⁽²⁾	(2)	—
Other ⁽³⁾	(3)	—
Earnings attributable to Class I and Class II Shares	87	112
Weighted average shares outstanding (millions of shares)	114.4	114.3

- (1) *Adjusted earnings are earnings attributable to Class I and Class II Shares after adjusting for the timing of revenues and expenses associated with rate-regulated activities and unrealized gains or losses on mark-to-market forward and swap commodity contracts. Adjusted earnings also exclude one-time gains and losses, significant impairments, and items that are not in the normal course of business or a result of day-to-day operations. Adjusted earnings present earnings on the same basis as was used prior to adopting International Financial Reporting Standards (IFRS) - that basis being the U.S. accounting principles for rate-regulated entities - and they are a key measure used to assess segment performance, to reflect the economics of rate regulation and to facilitate comparability of ATCO's earnings with other Canadian rate-regulated companies.*
- (2) *Refer to Note 3 of the Unaudited Interim Consolidated Financial Statements for the three months ended March 31, 2020 for detailed descriptions of this adjustment and others.*
- (3) *Each quarter, the Company adjusts the deferred tax asset which was recognized as a result of the Tula Pipeline Project impairment. The adjustment is due to a difference between the tax base currency, which is the Mexican peso, and the U.S. dollar functional currency.*

This news release should be used as preparation for reading the full disclosure documents. ATCO's consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2020 will be available on the ATCO website (www.ATCO.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 6,500 employees and assets of \$22 billion, ATCO is a diversified global corporation with investments in the essential services of Structures & Logistics (workforce and residential housing, innovative modular facilities, construction, site support services, workforce lodging services, facility operations and maintenance, defence operations services, and disaster and emergency management services); Utilities (electricity and natural gas transmission and distribution); Energy Infrastructure (electricity generation, energy storage and industrial water solutions); Retail Energy (electricity and natural gas retail sales); Transportation (ports and transportation logistics); and Commercial Real Estate. More information can be found at www.ATCO.com.

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Forward-Looking Information:

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information.

The Company's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in the industries in which the Company operates, prevailing economic conditions (including as may be affected by the COVID-19 pandemic), and other factors, many of which are beyond the control of the Company.

The Company believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.