



February 25, 2021

ATCO REPORTS 2020 EARNINGS

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

ATCO today announced fourth quarter 2020 adjusted earnings of \$122 million, or \$1.07 per share, \$21 million or \$0.19 per share higher compared to \$101 million or \$0.88 per share, in the fourth quarter of 2019. Higher fourth quarter earnings were mainly due to stronger results in ATCO Frontec from additional customer work requests, in Neltume Ports from higher cargo volumes and margins, and in Canadian Utilities from cost efficiencies, growth in the asset base, and ongoing transition work related to the long-term contract to operate Puerto Rico's electricity transmission and distribution system.

Adjusted earnings in 2020 were \$352 million, or \$32 million higher compared to 2019, excluding the earnings from the Canadian fossil-fuel based electricity generation business and 80 per cent ownership interest in Alberta PowerLine which were sold by ATCO Subsidiary Canadian Utilities in 2019. Higher earnings were mainly due to ATCO Structures' higher workforce housing trade sale activity, and higher space rental activity from growth in the rental fleet and higher rental rates and utilization across Canada, the United States and Australia.

ATCO adjusted earnings in 2020 were \$352 million or \$3.08 per share, compared to \$365 million or \$3.19 per share, in 2019 including the earnings from the Canadian fossil fuel-based electricity generation business and ownership interest in Alberta PowerLine which were sold in 2019 and which together contributed \$45 million in adjusted earnings in 2019.

On January 14, 2021, ATCO declared a first quarter dividend of 44.83 cents per share or \$1.79 per share on an annualized basis per Class I Non-Voting and Class II Voting Share, a three per cent increase over the 43.52 cents paid in each of the four previous quarters. ATCO has increased its dividend per share for 28 consecutive years.

Earnings attributable to Class I and Class II Shares were \$252 million in 2020, \$261 million lower compared to 2019. Earnings attributable to Class I and Class II Shares include timing adjustments related to rate-regulated activities, unrealized gains or losses on mark-to-market forward and swap commodity contracts, 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. These items are not included in adjusted earnings.

RECENT DEVELOPMENTS IN THE FOURTH QUARTER OF 2020

ATCO Structures

- Acquired the remaining 50 per cent interest in the ATCO Sabinco S.A. joint venture partnership. With this strategic investment, ATCO Structures gained full ownership and control of its Chilean business. The transaction closed on December 30, 2020.

- Completed work on a second camp for the Trans Mountain Expansion project. The two camps will accommodate up to approximately 1,150 persons in total. Rental contracts for both camps will continue through 2023.
- Won a \$12 million, 450-person workforce housing rental contract to support the phase I rebuild and expansion of the China Lake Military Base in southern California. The Base was damaged by two major earthquakes in July 2019.
- Won a \$13 million contract with Newmont Corporation to supply a 600-person camp to house workers at the Peñasquito Mine in the state of Zacatecas, Mexico. The camp is expected to be complete in the fourth quarter of 2021.

ATCO Frontec

- Awarded a 31-month workforce lodging services contract for approximately 450 persons to support the rebuild of the China Lake Military Base. The contract is expected to commence in the first quarter of 2021.

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 year ended December 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 6,200 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, and international electricity operations); 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.