

Consolidated (Loss) Income Statement

(Unaudited)

Three months ended June 30

(amounts in millions of Canadian dollars, except per share amounts)

	2020	2019
Revenue	\$ 550.5	\$ 825.6
Cost of sales	442.5	581.9
Gross profit	\$ 108.0	\$ 243.7
Research and development expenses	20.1	31.9
Selling, general and administrative expenses	93.9	113.3
Impairment and other (gains) and losses	96.6	(0.3)
Share of after-tax loss (profit) of equity accounted investees	7.7	(12.1)
Operating (loss) profit	\$ (110.3)	\$ 110.9
Finance expense – net	35.1	34.9
(Loss) earnings before income taxes	\$ (145.4)	\$ 76.0
Income tax (recovery) expense	(35.4)	13.0
Net (loss) income	\$ (110.0)	\$ 63.0
Attributable to:		
Equity holders of the Company	\$ (110.6)	\$ 61.5
Non-controlling interests	0.6	1.5
(Loss) earnings per share attributable to equity holders of the Company		
Basic and diluted	\$ (0.42)	\$ 0.23

Consolidated Statement of Comprehensive (Loss) Income

(Unaudited)

Three months ended June 30

(amounts in millions of Canadian dollars)

	2020	2019
Net (loss) income	\$ (110.0)	\$ 63.0
Items that may be reclassified to net (loss) income		
Foreign currency exchange differences on translation of foreign operations	\$ (105.9)	\$ (69.3)
Reclassification to income of foreign currency exchange differences	(5.8)	(1.9)
Net gain on cash flow hedges	30.3	12.5
Reclassification to income of losses on cash flow hedges	(5.0)	(0.7)
Net gain on hedges of net investment in foreign operations	47.1	22.5
Income taxes	(7.4)	(0.8)
	\$ (46.7)	\$ (37.7)
Items that will never be reclassified to net (loss) income		
Remeasurement of defined benefit pension plan obligations	\$ (123.0)	\$ (43.6)
Net loss on financial assets carried at fair value through OCI	(0.1)	(0.1)
Income taxes	32.3	11.5
	\$ (90.8)	\$ (32.2)
Other comprehensive loss	\$ (137.5)	\$ (69.9)
Total comprehensive loss	\$ (247.5)	\$ (6.9)
Attributable to:		
Equity holders of the Company	\$ (245.7)	\$ (7.1)
Non-controlling interests	(1.8)	0.2

Consolidated Statement of Financial Position

<i>(Unaudited)</i>	June 30	March 31
<i>(amounts in millions of Canadian dollars)</i>	2020	2020
Assets		
Cash and cash equivalents	\$ 363.3	\$ 946.5
Accounts receivable	517.5	566.1
Contract assets	536.3	569.3
Inventories	670.7	616.2
Prepayments	59.2	55.1
Income taxes recoverable	32.1	30.4
Derivative financial assets	25.0	25.0
Total current assets	\$ 2,204.1	\$ 2,808.6
Property, plant and equipment	2,007.8	2,154.0
Right-of-use assets	370.3	395.9
Intangible assets	1,974.9	2,056.5
Investment in equity accounted investees	428.0	460.6
Deferred tax assets	105.6	84.5
Derivative financial assets	11.6	13.1
Other non-current assets	507.2	510.4
Total assets	\$ 7,609.5	\$ 8,483.6
Liabilities and equity		
Accounts payable and accrued liabilities	\$ 825.5	\$ 934.4
Provisions	27.8	29.2
Income taxes payable	25.1	26.4
Contract liabilities	740.5	746.2
Current portion of long-term debt	219.0	206.2
Derivative financial liabilities	52.3	119.9
Total current liabilities	\$ 1,890.2	\$ 2,062.3
Provisions	28.1	28.6
Long-term debt	2,551.8	3,106.0
Royalty obligations	134.9	141.1
Employee benefits obligations	340.1	212.8
Deferred tax liabilities	104.9	150.6
Derivative financial liabilities	7.9	12.8
Other non-current liabilities	212.3	191.1
Total liabilities	\$ 5,270.2	\$ 5,905.3
Equity		
Share capital	\$ 682.0	\$ 679.5
Contributed surplus	32.9	26.9
Accumulated other comprehensive income	148.8	193.2
Retained earnings	1,388.8	1,590.1
Equity attributable to equity holders of the Company	\$ 2,252.5	\$ 2,489.7
Non-controlling interests	86.8	88.6
Total equity	\$ 2,339.3	\$ 2,578.3
Total liabilities and equity	\$ 7,609.5	\$ 8,483.6

Consolidated Statement of Changes in Equity

(Unaudited)

Three months ended June 30, 2020

(amounts in millions of Canadian dollars, except number of shares)

(Unaudited)	Attributable to equity holders of the Company							
Three months ended June 30, 2020 (amounts in millions of Canadian dollars, except number of shares)	Common shares Number of shares	Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balances as at March 31, 2020	265,619,627	\$ 679.5	\$ 26.9	\$ 193.2	\$ 1,590.1	\$ 2,489.7	\$ 88.6	\$ 2,578.3
Net (loss) income	—	\$ —	\$ —	\$ —	\$ (110.6)	\$ (110.6)	\$ 0.6	\$ (110.0)
Other comprehensive loss	—	—	—	(44.4)	(90.7)	(135.1)	(2.4)	(137.5)
Total comprehensive loss	—	\$ —	\$ —	\$ (44.4)	\$ (201.3)	\$ (245.7)	\$ (1.8)	\$ (247.5)
Exercise of stock options	149,850	2.5	(0.3)	—	—	2.2	—	2.2
Share-based payments expense	—	—	6.3	—	—	6.3	—	6.3
Balances as at June 30, 2020	265,769,477	\$ 682.0	\$ 32.9	\$ 148.8	\$ 1,388.8	\$ 2,252.5	\$ 86.8	\$ 2,339.3

Three months ended June 30, 2019

(amounts in millions of Canadian dollars, except number of shares)

	Attributable to equity holders of the Company							
Three months ended June 30, 2019 (amounts in millions of Canadian dollars, except number of shares)	Common shares			Accumulated other			Non-controlling	Total
	Number of shares	Stated value	Contributed surplus	comprehensive income	Retained earnings		interests	equity
Balances as at April 1, 2019	265,447,603	\$ 649.6	\$ 24.8	\$ 199.0	\$ 1,430.4	\$ 2,303.8	\$ 78.7	\$ 2,382.5
Net income	—	\$ —	\$ —	\$ —	\$ 61.5	\$ 61.5	\$ 1.5	\$ 63.0
Other comprehensive loss	—	—	—	(36.5)	(32.1)	(68.6)	(1.3)	(69.9)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (36.5)	\$ 29.4	\$ (7.1)	\$ 0.2	\$ (6.9)
Exercise of stock options	833,180	16.2	(1.9)	—	—	14.3	—	14.3
Optional cash purchase of common shares	408	—	—	—	—	—	—	—
Repurchase and cancellation of common shares	(58,131)	(0.1)	—	—	(1.9)	(2.0)	—	(2.0)
Share-based payments expense	—	—	3.7	—	—	3.7	—	3.7
Stock dividends	30,420	1.1	—	—	(1.1)	—	—	—
Cash dividends	—	—	—	—	(25.5)	(25.5)	—	(25.5)
Balances as at June 30, 2019	266,253,480	\$ 666.8	\$ 26.6	\$ 162.5	\$ 1,431.3	\$ 2,287.2	\$ 78.9	\$ 2,366.1

Consolidated Statement of Cash Flows

(Unaudited)

Three months ended June 30

(amounts in millions of Canadian dollars)

	2020	2019
Operating activities		
Net (loss) income	\$ (110.0)	\$ 63.0
Adjustments for:		
Depreciation and amortization	85.6	73.8
Impairment of non-financial assets	98.0	—
Share of after-tax loss (profit) of equity accounted investees	7.7	(12.1)
Deferred income taxes	(37.1)	13.0
Investment tax credits	(5.2)	(9.4)
Share-based payments expense	4.6	1.9
Defined benefit pension plans	4.9	4.3
Other non-current liabilities	1.0	(4.2)
Derivative financial assets and liabilities – net	(34.6)	(7.0)
Other	22.0	14.5
Changes in non-cash working capital	(125.3)	(197.8)
Net cash used by operating activities	\$ (88.4)	\$ (60.0)
Investing activities		
Business combinations, net of cash acquired	\$ —	\$ (7.5)
Additions to property, plant and equipment	(18.0)	(89.0)
Proceeds from disposal of property, plant and equipment	—	0.4
Additions to intangible assets	(17.8)	(22.7)
Net payments to equity accounted investees	0.5	0.7
Dividends received from equity accounted investees	6.1	—
Other	(0.1)	—
Net cash used in investing activities	\$ (29.3)	\$ (118.1)
Financing activities		
Net (repayment) proceeds from borrowing under revolving credit facilities	\$ (439.0)	\$ 192.0
Proceeds from long-term debt	6.3	9.0
Repayment of long-term debt	(5.7)	(100.8)
Repayment of lease liabilities	(19.2)	(25.4)
Dividends paid	—	(25.5)
Issuance of common shares	2.2	14.3
Repurchase and cancellation of common shares	—	(2.0)
Other	(0.7)	(0.3)
Net cash (used in) provided by financing activities	\$ (456.1)	\$ 61.3
Effect of foreign currency exchange differences on cash and cash equivalents	\$ (9.4)	\$ (7.3)
Net decrease in cash and cash equivalents	\$ (583.2)	\$ (124.1)
Cash and cash equivalents, beginning of period	946.5	446.1
Cash and cash equivalents, end of period	\$ 363.3	\$ 322.0