

Consolidated Statement of Financial Position

<i>(Unaudited)</i>	June 30	March 31
<i>(amounts in millions of Canadian dollars)</i>	2019	2019
Assets		
Cash and cash equivalents	\$ 322.0	\$ 446.1
Accounts receivable	535.5	496.0
Contract assets	546.1	523.5
Inventories	590.2	537.0
Prepayments	57.3	57.4
Income taxes recoverable	40.5	33.6
Derivative financial assets	31.0	19.3
Total current assets	\$ 2,122.6	\$ 2,112.9
Property, plant and equipment	1,968.7	2,149.3
Right-of-use assets	402.7	—
Intangible assets	2,028.5	2,027.9
Investment in equity accounted investees	309.9	312.1
Deferred tax assets	70.4	71.0
Derivative financial assets	15.5	12.8
Other assets	494.0	479.5
Total assets	\$ 7,412.3	\$ 7,165.5
Liabilities and equity		
Accounts payable and accrued liabilities	\$ 797.7	\$ 883.8
Provisions	24.3	28.7
Income taxes payable	22.5	25.7
Contract liabilities	717.8	670.2
Current portion of long-term debt	199.1	264.1
Derivative financial liabilities	8.4	17.0
Total current liabilities	\$ 1,769.8	\$ 1,889.5
Provisions	27.3	36.3
Long-term debt	2,435.6	2,064.2
Royalty obligations	139.9	136.2
Employee benefits obligations	260.2	212.6
Deferred gains and other liabilities	265.4	267.0
Deferred tax liabilities	146.6	147.0
Derivative financial liabilities	1.4	2.7
Total liabilities	\$ 5,046.2	\$ 4,755.5
Equity		
Share capital	\$ 666.8	\$ 649.6
Contributed surplus	26.6	24.8
Accumulated other comprehensive income	162.5	199.0
Retained earnings	1,431.3	1,457.9
Equity attributable to equity holders of the Company	\$ 2,287.2	\$ 2,331.3
Non-controlling interests	78.9	78.7
Total equity	\$ 2,366.1	\$ 2,410.0
Total liabilities and equity	\$ 7,412.3	\$ 7,165.5

Consolidated Income Statement

<i>(Unaudited)</i> <i>(amounts in millions of Canadian dollars, except per share amounts)</i>	Three months ended	
	2019	June 30 2018
Revenue	\$ 825.6	\$ 722.0
Cost of sales	581.9	503.3
Gross profit	\$ 243.7	\$ 218.7
Research and development expenses	31.9	31.3
Selling, general and administrative expenses	113.3	102.7
Other gains – net	(0.3)	(5.2)
After tax share in profit of equity accounted investees	(12.1)	(8.6)
Operating profit	\$ 110.9	\$ 98.5
Finance expense – net	34.9	16.0
Earnings before income taxes	\$ 76.0	\$ 82.5
Income tax expense	13.0	10.9
Net income	\$ 63.0	\$ 71.6
Attributable to:		
Equity holders of the Company	\$ 61.5	\$ 69.4
Non-controlling interests	1.5	2.2
Earnings per share attributable to equity holders of the Company		
Basic and diluted	\$ 0.23	\$ 0.26

Consolidated Statement of Comprehensive (Loss) Income

<i>(Unaudited)</i> <i>(amounts in millions of Canadian dollars)</i>	Three months ended	
	2019	June 30 2018
Net income	\$ 63.0	\$ 71.6
Items that may be reclassified to net income		
Foreign currency differences on translation of foreign operations	\$ (69.3)	\$ (20.8)
Reclassification to income of foreign currency differences	(1.9)	(3.3)
Net gain (loss) on cash flow hedges	12.5	(8.4)
Reclassification to income of (losses) gains on cash flow hedges	(0.7)	2.4
Net gain (loss) on hedges of net investment in foreign operations	22.5	(9.7)
Income taxes	(0.8)	3.9
	\$ (37.7)	\$ (35.9)
Items that will never be reclassified to net income		
Remeasurement of defined benefit pension plan obligations	\$ (43.6)	\$ 4.2
Net loss on financial assets carried at fair value through OCI	(0.1)	—
Income taxes	11.5	(1.1)
	\$ (32.2)	\$ 3.1
Other comprehensive loss	\$ (69.9)	\$ (32.8)
Total comprehensive (loss) income	\$ (6.9)	\$ 38.8
Attributable to:		
Equity holders of the Company	\$ (7.1)	\$ 34.2
Non-controlling interests	0.2	4.6

Consolidated Statement of Changes in Equity

(Unaudited)

Three months ended June 30, 2019
(amounts in millions of Canadian dollars,
except number of shares)

	Attributable to equity holders of the Company							
	Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balances, beginning of period	265,447,603	\$ 649.6	\$ 24.8	\$ 199.0	\$ 1,457.9	\$ 2,331.3	\$ 78.7	\$ 2,410.0
Impact of adopting IFRS 16	—	—	—	—	(27.5)	(27.5)	—	(27.5)
Balances, 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)
Stock options exercised	833,180	16.2	(1.9)	—	—	14.3	—	14.3
Optional cash purchase of shares	408	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(58,131)	(0.1)	—	—	(1.9)	(2.0)	—	(2.0)
Share-based compensation expense	—	—	3.7	—	—	3.7	—	3.7
Stock dividends	30,420	1.1	—	—	(1.1)	—	—	—
Cash dividends	—	—	—	—	(25.5)	(25.5)	—	(25.5)
Balances, end of period	266,253,480	\$ 666.8	\$ 26.6	\$ 162.5	\$ 1,431.3	\$ 2,287.2	\$ 78.9	\$ 2,366.1

(Unaudited)

Three months ended June 30, 2018
(amounts in millions of Canadian dollars,
except number of shares)

	Attributable to equity holders of the Company							
	Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	Total equity
Balances, beginning of period	267,738,530	\$ 633.2	\$ 21.3	\$ 260.3	\$ 1,314.3	\$ 2,229.1	\$ 68.4	\$ 2,297.5
Net income	—	\$ —	\$ —	\$ —	\$ 69.4	\$ 69.4	\$ 2.2	\$ 71.6
Other comprehensive (loss) income	—	—	—	(38.3)	3.1	(35.2)	2.4	(32.8)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (38.3)	\$ 72.5	\$ 34.2	\$ 4.6	\$ 38.8
Stock options exercised	313,350	5.5	(0.7)	—	—	4.8	—	4.8
Optional cash purchase of shares	647	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(267,100)	(0.6)	—	—	(5.9)	(6.5)	—	(6.5)
Share-based compensation expense	—	—	4.1	—	—	4.1	—	4.1
Stock dividends	35,566	1.0	—	—	(1.0)	—	—	—
Cash dividends	—	—	—	—	(23.1)	(23.1)	—	(23.1)
Balances, end of period	267,820,993	\$ 639.1	\$ 24.7	\$ 222.0	\$ 1,356.8	\$ 2,242.6	\$ 73.0	\$ 2,315.6

Consolidated Statement of Cash Flows

(Unaudited)

Three months ended June 30

(amounts in millions of Canadian dollars)

	2019	2018
Operating activities		
Net income	\$ 63.0	\$ 71.6
Adjustments for:		
Depreciation and amortization	73.8	48.8
After tax share in profit of equity accounted investees	(12.1)	(8.6)
Deferred income taxes	13.0	12.4
Investment tax credits	(9.4)	(2.7)
Share-based compensation	1.9	(5.1)
Defined benefit pension plans	4.3	3.0
Other non-current liabilities	(4.2)	(7.7)
Derivative financial assets and liabilities – net	(7.0)	(1.5)
Other	14.5	7.0
Changes in non-cash working capital	(197.8)	(147.8)
Net cash used in operating activities	\$ (60.0)	\$ (30.6)
Investing activities		
Business combinations, net of cash and cash equivalents acquired	\$ (7.5)	\$ —
Additions to property, plant and equipment	(89.0)	(53.1)
Proceeds from disposal of property, plant and equipment	0.4	2.3
Additions to intangibles	(22.7)	(18.0)
Net proceeds from (payments to) equity accounted investees	0.7	(6.1)
Net cash used in investing activities	\$ (118.1)	\$ (74.9)
Financing activities		
Net proceeds from borrowing under revolving unsecured credit facilities	\$ 192.0	\$ —
Proceeds from long-term debt	9.0	66.9
Repayment of long-term debt	(100.8)	(39.0)
Repayment of lease liabilities	(25.4)	(2.7)
Dividends paid	(25.5)	(23.1)
Issuance of common shares	14.3	4.8
Repurchase of common shares	(2.0)	(6.5)
Other	(0.3)	(0.2)
Net cash provided by financing activities	\$ 61.3	\$ 0.2
Effect of foreign exchange rate changes on cash and cash equivalents	\$ (7.3)	\$ (6.1)
Net decrease in cash and cash equivalents	\$ (124.1)	\$ (111.4)
Cash and cash equivalents, beginning of period	446.1	611.5
Cash and cash equivalents, end of period	\$ 322.0	\$ 500.1
Supplemental information:		
Interest paid	\$ 14.5	\$ 7.6
Interest received	2.3	4.1
Income taxes paid	10.2	11.5