

Consolidated Statement of Financial Position

<i>(Unaudited)</i>	September 30	March 31
<i>(amounts in millions of Canadian dollars)</i>	2019	2019
Assets		
Cash and cash equivalents	\$ 222.5	\$ 446.1
Accounts receivable	520.7	496.0
Contract assets	567.7	523.5
Inventories	577.5	537.0
Prepayments	60.0	57.4
Income taxes recoverable	50.8	33.6
Derivative financial assets	14.3	19.3
Total current assets	\$ 2,013.5	\$ 2,112.9
Property, plant and equipment	1,976.0	2,149.3
Right-of-use assets	408.0	—
Intangible assets	2,028.3	2,027.9
Investment in equity accounted investees	312.1	312.1
Deferred tax assets	79.1	71.0
Derivative financial assets	16.2	12.8
Other assets	487.3	479.5
Total assets	\$ 7,320.5	\$ 7,165.5
Liabilities and equity		
Accounts payable and accrued liabilities	\$ 741.5	\$ 883.8
Provisions	23.0	28.7
Income taxes payable	30.0	25.7
Contract liabilities	667.4	670.2
Current portion of long-term debt	231.3	264.1
Derivative financial liabilities	10.9	17.0
Total current liabilities	\$ 1,704.1	\$ 1,889.5
Provisions	28.2	36.3
Long-term debt	2,434.0	2,064.2
Royalty obligations	129.9	136.2
Employee benefits obligations	278.6	212.6
Deferred gains and other liabilities	249.9	267.0
Deferred tax liabilities	142.2	147.0
Derivative financial liabilities	2.3	2.7
Total liabilities	\$ 4,969.2	\$ 4,755.5
Equity		
Share capital	\$ 669.7	\$ 649.6
Contributed surplus	26.9	24.8
Accumulated other comprehensive income	126.5	199.0
Retained earnings	1,446.7	1,457.9
Equity attributable to equity holders of the Company	\$ 2,269.8	\$ 2,331.3
Non-controlling interests	81.5	78.7
Total equity	\$ 2,351.3	\$ 2,410.0
Total liabilities and equity	\$ 7,320.5	\$ 7,165.5

Consolidated Income Statement

(Unaudited) (amounts in millions of Canadian dollars, except per share amounts)	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Revenue	\$ 896.8	\$ 743.8	\$ 1,722.4	\$ 1,465.8
Cost of sales	660.1	542.3	1,242.0	1,045.6
Gross profit	\$ 236.7	\$ 201.5	\$ 480.4	\$ 420.2
Research and development expenses	35.8	29.1	67.7	60.4
Selling, general and administrative expenses	98.0	87.9	211.3	190.6
Other gains – net	(11.5)	(9.4)	(11.8)	(14.6)
After tax share in profit of equity accounted investees	(10.4)	(4.8)	(22.5)	(13.4)
Operating profit	\$ 124.8	\$ 98.7	\$ 235.7	\$ 197.2
Finance expense – net	34.3	19.9	69.2	35.9
Earnings before income taxes	\$ 90.5	\$ 78.8	\$ 166.5	\$ 161.3
Income tax expense	15.5	15.2	28.5	26.1
Net income	\$ 75.0	\$ 63.6	\$ 138.0	\$ 135.2
Attributable to:				
Equity holders of the Company	\$ 73.8	\$ 60.7	\$ 135.3	\$ 130.1
Non-controlling interests	1.2	2.9	2.7	5.1
Earnings per share attributable to equity holders of the Company				
Basic	\$ 0.28	\$ 0.23	\$ 0.51	\$ 0.49
Diluted	\$ 0.28	\$ 0.23	\$ 0.51	\$ 0.48

Consolidated Statement of Comprehensive Income

(Unaudited) (amounts in millions of Canadian dollars)	Three months ended September 30		Six months ended September 30	
	2019	2018	2019	2018
Net income	\$ 75.0	\$ 63.6	\$ 138.0	\$ 135.2
Items that may be reclassified to net income				
Foreign currency differences on translation of foreign operations	\$ (18.7)	\$ (65.3)	\$ (88.0)	\$ (86.1)
Reclassification to income of foreign currency differences	(10.0)	(12.6)	(11.9)	(15.9)
Net (loss) gain on cash flow hedges	(3.0)	12.7	9.5	4.3
Reclassification to income of (losses) gains on cash flow hedges	(2.4)	(1.8)	(3.1)	0.6
Net (loss) gain on hedges of net investment in foreign operations	(12.6)	8.3	9.9	(1.4)
Income taxes	10.6	0.8	9.8	4.7
	\$ (36.1)	\$ (57.9)	\$ (73.8)	\$ (93.8)
Items that will never be reclassified to net income				
Remeasurement of defined benefit pension plan obligations	\$ (16.8)	\$ 28.9	\$ (60.4)	\$ 33.1
Net loss on financial assets carried at fair value through OCI	—	(0.1)	(0.1)	(0.1)
Income taxes	4.5	(7.7)	16.0	(8.8)
	\$ (12.3)	\$ 21.1	\$ (44.5)	\$ 24.2
Other comprehensive loss	\$ (48.4)	\$ (36.8)	\$ (118.3)	\$ (69.6)
Total comprehensive income	\$ 26.6	\$ 26.8	\$ 19.7	\$ 65.6
Attributable to:				
Equity holders of the Company	\$ 25.5	\$ 25.1	\$ 18.4	\$ 59.3
Non-controlling interests	1.1	1.7	1.3	6.3

Consolidated Statement of Changes in Equity

(Unaudited)

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

	Attributable to equity holders of the Company							Total equity
	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	
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	—	\$ —	\$ —	\$ —	\$ 135.3	\$ 135.3	\$ 2.7	\$ 138.0
Other comprehensive loss	—	—	—	(72.5)	(44.4)	(116.9)	(1.4)	(118.3)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (72.5)	\$ 90.9	\$ 18.4	\$ 1.3	\$ 19.7
Stock options exercised	981,405	19.6	(2.4)	—	—	17.2	—	17.2
Optional cash purchase of shares	981	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(591,731)	(1.5)	—	—	(18.7)	(20.2)	—	(20.2)
Share-based compensation expense	—	—	4.5	—	—	4.5	—	4.5
Additions to non-controlling interests	—	—	—	—	—	—	1.5	1.5
Stock dividends	59,028	2.0	—	—	(2.0)	—	—	—
Cash dividends	—	—	—	—	(53.9)	(53.9)	—	(53.9)
Balances, end of period	265,897,286	\$ 669.7	\$ 26.9	\$ 126.5	\$ 1,446.7	\$ 2,269.8	\$ 81.5	\$ 2,351.3

(Unaudited)

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

	Attributable to equity holders of the Company							Total equity
	Common shares Number of shares	Common shares Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non-controlling interests	
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	—	\$ —	\$ —	\$ —	\$ 130.1	\$ 130.1	\$ 5.1	\$ 135.2
Other comprehensive (loss) income	—	—	—	(95.1)	24.3	(70.8)	1.2	(69.6)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (95.1)	\$ 154.4	\$ 59.3	\$ 6.3	\$ 65.6
Stock options exercised	447,050	8.1	(1.1)	—	—	7.0	—	7.0
Optional cash purchase of shares	1,326	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(1,686,700)	(4.0)	—	—	(39.7)	(43.7)	—	(43.7)
Share-based compensation expense	—	—	5.0	—	—	5.0	—	5.0
Stock dividends	74,783	2.0	—	—	(2.0)	—	—	—
Cash dividends	—	—	—	—	(48.8)	(48.8)	—	(48.8)
Balances, end of period	266,574,989	\$ 639.3	\$ 25.2	\$ 165.2	\$ 1,378.2	\$ 2,207.9	\$ 74.7	\$ 2,282.6

Consolidated Statement of Cash Flows

(Unaudited)

Six months ended September 30

(amounts in millions of Canadian dollars)

	2019	2018
Operating activities		
Net income	\$ 138.0	\$ 135.2
Adjustments for:		
Depreciation and amortization	149.2	100.8
After tax share in profit of equity accounted investees	(22.5)	(13.4)
Deferred income taxes	12.8	15.4
Investment tax credits	(6.0)	(1.9)
Share-based compensation	11.3	3.0
Defined benefit pension plans	9.0	9.4
Other non-current liabilities	(19.0)	(12.6)
Derivative financial assets and liabilities – net	(8.0)	(6.7)
Other	25.6	11.0
Changes in non-cash working capital	(313.7)	(93.7)
Net cash (used in) provided by operating activities	\$ (23.3)	\$ 146.5
Investing activities		
Business combinations, net of cash and cash equivalents acquired	\$ (9.2)	\$ (33.5)
Additions to property, plant and equipment	(147.8)	(94.0)
Proceeds from disposal of property, plant and equipment	0.4	2.3
Additions to intangibles	(48.4)	(37.6)
Net payments to equity accounted investees	—	(9.7)
Dividends received from equity accounted investees	8.6	7.1
Other	1.5	4.0
Net cash used in investing activities	\$ (194.9)	\$ (161.4)
Financing activities		
Net proceeds from borrowing under revolving unsecured credit facilities	\$ 197.9	\$ —
Proceeds from long-term debt	16.2	75.1
Repayment of long-term debt	(108.8)	(61.2)
Repayment of lease liabilities	(39.6)	(5.6)
Dividends paid	(53.9)	(48.8)
Issuance of common shares	17.2	7.0
Repurchase of common shares	(20.2)	(43.7)
Other	(1.4)	(0.3)
Net cash provided by (used in) financing activities	\$ 7.4	\$ (77.5)
Effect of foreign exchange rate changes on cash and cash equivalents	\$ (12.8)	\$ (14.8)
Net decrease in cash and cash equivalents	\$ (223.6)	\$ (107.2)
Cash and cash equivalents, beginning of period	446.1	611.5
Cash and cash equivalents, end of period	\$ 222.5	\$ 504.3
Supplemental information:		
Interest paid	\$ 62.3	\$ 30.2
Interest received	5.0	7.9
Income taxes paid	18.1	17.2