



April 25, 2019

## ATCO REPORTS HIGHER FIRST QUARTER 2019 EARNINGS

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

ATCO today announced first quarter 2019 adjusted earnings of \$112 million, or \$0.98 per share, compared to \$99 million, or \$0.87 per share, in the first quarter of 2018.

Higher first quarter earnings were recorded in Structures & Logistics, Canadian Utilities, and Neltume Ports. Stronger earnings were mainly due to commencement of work on the LNG Canada workforce accommodation project in Structures & Logistics, increased Alberta power market prices and ongoing growth in the regulated rate base in Canadian Utilities, and earnings contributions from our recent investment in Neltume Ports.

In the first quarter of 2019, \$343 million was invested in capital growth projects. ATCO invested \$34 million in various projects including the acquisition of an additional interest in a port held by Neltume Ports, and the expansion of Structures & Logistics' global mobile trailer rental fleet. Canadian Utilities invested \$213 million in regulated utilities and \$96 million in long-term contracted assets including Alberta PowerLine.

### RECENT DEVELOPMENTS

#### Structures & Logistics

- Our Modular Structures division began construction on the LNG Canada workforce accommodation contract in the first quarter of 2019 and will continue work until early 2021. The 4,500-person facility is being built to house workers involved in the construction of LNG Canada's natural gas liquefaction and export facility in Kitimat, British Columbia.
- Modular Structures was awarded a \$70 million contract for the installation and rental of a 1,500-person camp for fire disaster relief in Chico, California. Our Frontec division was also awarded a \$20 million contract for this camp's maintenance including food services, housekeeping and janitorial services. The contracts began in April 2019 and will continue until early 2020.
- Modular Structures was awarded a \$50 million contract for the relocation of 800 rooms from the Wheatstone LNG Project in North Western Australia. The contract began in March 2019 and will continue until early 2020.
- Modular Structures and Frontec were awarded contracts with a total value of \$15 million for the Site C Clean Energy Project in British Columbia. Modular Structures will provide

an additional 150 workforce housing accommodation rooms on rent and Frontec will provide operations and maintenance services for these rooms on a 42-month contract. The contract will begin in May 2019 and will continue until late 2022.

### Canadian Utilities

- In March, the Fort McMurray West 500-kV Transmission Project was energized three months ahead of schedule, on-budget, and with an impeccable safety record. This 508-km transmission line, running from just west of Edmonton to Fort McMurray, will provide essential electricity, greater reliability and enhance the transmission system to meet growing demands in northern Alberta.
- Strategic reviews are ongoing for Canadian Utilities' ownership positions in Alberta PowerLine and Canadian electricity generation assets.

### Neltume Ports

- In February, Neltume Ports acquired an additional 15 per cent ownership in Terminal Puerto de Arica S.A. (TPA), bringing its total ownership of TPA to 50 per cent. This will allow Neltume Ports to exercise operational control and therefore strengthen its port operator role in the concession. TPA is a container port located in northern Chile with a diversified cargo mix mainly servicing Bolivian trade. ATCO paid \$9 million for its equity share of this investment.

### Corporate

- On April 4, ATCO declared a second quarter dividend for 2019 of 40.48 cents per Class I Non-Voting and Class II Voting Share.

## 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	
	2019	2018
Consolidated adjusted earnings <sup>(1)</sup>	112	99
Unrealized gains (losses) on mark-to-market forward commodity contracts <sup>(2)</sup>	3	(9)
Rate-regulated activities <sup>(2)</sup>	(3)	(1)
Other <sup>(2) (3)</sup>	—	1
<b>Earnings attributable to Class I and Class II Shares</b>	<b>112</b>	<b>90</b>
<b>Weighted average shares outstanding (millions of shares)</b>	<b>114.3</b>	<b>114.4</b>

(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 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 4 of the Consolidated Financial Statements for detailed descriptions of the adjustments.

(3) The Company adjusted 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.

## TELECONFERENCE AND WEBCAST

ATCO will hold a live teleconference and webcast to discuss our first quarter 2019 financial results. Dennis DeChamplain, Senior Vice President & Chief Financial Officer, will discuss first quarter 2019 financial results and recent developments at 9:30 am Mountain Time (11:30 am Eastern Time) on Thursday, April 25, 2019 at 1-800-319-4610. No pass code is required.

Opening remarks will be followed by a question and answer period with investment analysts. Participants are asked to please dial-in 10 minutes prior to the start of the call and request to join the ATCO teleconference.

Management invites interested parties to listen via live webcast at:

<https://www.atco.com/en-ca/about-us/investors/events-presentations.html>

A replay of the teleconference will be available approximately two hours after the conclusion of the call until May 25, 2019. Please call 1-800-319-6413 and enter pass code 3123. An archive of the webcast will be available on April 25, 2019 and a transcript of the call will be posted on <https://www.atco.com/en-ca/about-us/investors/events-presentations.html> within a few business days.

This news release should be used as preparation for reading the full disclosure documents. ATCO's unaudited interim consolidated financial statements and management's discussion and analysis for the quarter ended March 31, 2019 will be available on the ATCO website ([www.ATCO.com](http://www.ATCO.com)), via SEDAR ([www.sedar.com](http://www.sedar.com)) or can be requested from the Company.

**With approximately 6,000 employees and assets of \$24 billion, ATCO is a diversified global holding corporation with investments in Structures & Logistics (workforce housing, innovative modular facilities, construction, site support services, and logistics and operations management); Energy Infrastructure (electricity generation, transmission, and distribution; natural gas transmission, distribution and infrastructure development; energy storage and industrial water solutions; and electricity and natural gas retail sales); Transportation (ports and transportation logistics); and Commercial Real Estate. More information can be found at [www.ATCO.com](http://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, 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.*