



October 31, 2019

ATCO REPORTS THIRD QUARTER 2019 EARNINGS

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

ATCO today announced third quarter 2019 adjusted earnings of \$74 million, or \$0.65 per share, compared to \$87 million, or \$0.76 per share, in the third quarter of 2018. Lower third quarter earnings recorded in Canadian Utilities and ATCO Investments were partially offset by higher earnings in Structures & Logistics and Neltume Ports.

Structures & Logistics achieved \$10 million in higher earnings in the third quarter of 2019 compared to the same period in 2018, mainly due to strong earnings from the LNG Canada Cedar Valley Lodge project, and space rental fleet earnings.

Neltume Ports contributed \$2 million in higher earnings in the third quarter of 2019 compared to the same period in 2018. On September 12, 2018, ATCO invested in a 40 per cent interest of Neltume Ports, a leading port operator and developer in South America.

Canadian Utilities recorded \$13 million in lower third quarter 2019 earnings compared to the same period in 2018, mainly due to favorable earnings realized in 2018 associated with the Balancing Pool's termination of the Battle River unit 5 PPA and associated availability incentive and performance payments.

ATCO Corporate & Other recorded \$12 million in lower third quarter 2019 earnings mainly due to lower income from ATCO Investments, which completed two commercial real estate transactions in the third quarter of 2018.

RECENT DEVELOPMENTS

Structures & Logistics

- Modular structures continues to progress on both manufacturing and site construction work for the LNG Canada Cedar Valley Lodge. Throughout the third quarter, modules were delivered and installed on site. The facility is being built to house workers involved in the construction of LNG Canada's natural gas liquefaction and export facility in Kitimat, BC.

- Manufacturing of a 400-room, two story accommodation village in Karratha, Western Australia commenced during the third quarter of 2019. The total contract value is \$22 million with final handover expected in April 2020.
- Modular structures completed the final handover of a 600-person camp in Western Australia. Total contract value is \$27 million, with ongoing rental earnings from the initial date of occupation in August of 2019 through to early 2021.
- During the third quarter, modular structures completed a \$7 million contract to supply modular product for a Marriott hotel to be situated near San Francisco, California. A second \$7 million contract to supply modular product for a Marriott hotel in Oakland, California is expected to be complete in early 2020.

Neltume Ports

- In July 2019, Terminal Graneles del Norte (TGN), a Neltume port, was awarded an important 25-year copper concentrate loading contract. This contract aligns with our growth strategy to secure a significant share of Chilean mining related activity, triggers the development of a new copper concentrate loading terminal, and extends the existing TGN concession arrangement for another 15 years. The existing concession arrangement end date is extended from 2026 to 2041.

Canadian Utilities

- In the third quarter of 2019, Canadian Utilities finalized the sale of its entire 2,100-MW Canadian fossil fuel-based electricity generation portfolio in a series of transactions. Canadian Utilities received \$821 million of aggregate proceeds on the sale. This resulted in ATCO recognizing a gain on sale of \$73 million (after-tax and non-controlling interests), which is excluded from adjusted earnings.
- On September 23, 2019, Canadian Utilities confirmed that seven Indigenous communities entered into definitive agreements to purchase a combined 40 per cent ownership in Alberta PowerLine (APL). The remaining 60 per cent of APL will be acquired by an investment consortium. Canadian Utilities will remain as the operator of APL over its 35-year contract with the Alberta Electric System Operator. The sale is expected to close in the fourth quarter of 2019, subject to receipt of regulatory and bondholder approvals, and satisfaction of other customary closing conditions.

Corporate

- On July 17, 2019, Dominion Bond Rating Service (DBRS) affirmed its 'A (high)' long-term corporate credit rating and stable outlook on ATCO subsidiary CU Inc. On August 9, 2019, DBRS affirmed its 'A' long-term corporate credit rating and stable outlook on ATCO

subsidiary Canadian Utilities Limited. On August 30, 2019, DBRS affirmed its 'A (low)' long-term corporate credit rating and stable outlook on ATCO.

- On October 3, 2019, S&P Global Ratings affirmed its 'A-' long-term issuer credit rating and stable outlook on ATCO Ltd. and its subsidiaries Canadian Utilities Limited and CU Inc.
- On October 10, 2019, ATCO declared a fourth 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 September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Consolidated adjusted earnings ⁽¹⁾	74	87	264	247
Gain on sale of operations ⁽²⁾	77	—	73	—
Transaction costs ⁽²⁾	—	—	(1)	—
Proceeds from termination of PPA ⁽²⁾	—	19	—	19
Restructuring and other costs ⁽²⁾	—	—	—	(39)
Unrealized gains on mark-to-market forward and swap commodity contracts ⁽²⁾	1	18	1	15
Rate-regulated activities ^{(2) (3)}	9	(10)	102	(49)
IT Common Matters decision ⁽²⁾	(1)	—	(9)	—
Other ^{(2) (4)}	—	1	—	—
Earnings attributable to Class I and Class II Shares	160	115	430	193
Weighted average shares outstanding (millions of shares)	114.4	114.4	114.4	114.4

(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 and swap 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 Unaudited Interim Consolidated Financial Statements for the nine months ended September 30, 2019 for detailed descriptions of this adjustment and others.

(3) In the second quarter of 2019, the Government of Alberta enacted a phased decrease in the provincial corporate income tax rate from 12 per cent to 8 per cent. This decrease is being phased in increments from July 1, 2019 to January 1, 2022. As a result of this change, the Alberta Utilities decreased deferred income taxes and increased earnings in the second quarter of 2019 by \$106 million.

(4) Each quarter, the Company adjusts 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 third quarter 2019 financial results. Dennis DeChamplain, Executive Vice President & Chief Financial Officer, will discuss third quarter 2019 financial results and recent developments at 9:30 am Mountain Time (11:30 am Eastern Time) on Thursday, October 31, 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 November 30, 2019. Please call 1-800-319-6413 and enter pass code 3710. An archive of the webcast will be available on October 31, 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 nine months ended September 30, 2019 will be available on the ATCO website (www.ATCO.com), via SEDAR (www.sedar.com) or can be requested from the Company.

With approximately 6,000 employees and assets of \$23 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.

Investor Inquiries:

D.A. (Dennis) DeChamplain
Executive Vice President &
Chief Financial Officer
403-292-7502

Media Inquiries:

Spencer Forgo
Manager, Corporate Communications &
Public Affairs
403-333-3239

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.