

Consolidated Statement of Financial Position

<i>(Unaudited)</i>	December 31	March 31
<i>(amounts in millions of Canadian dollars)</i>	2019	2019
Assets		
Cash and cash equivalents	\$ 278.5	\$ 446.1
Accounts receivable	497.9	496.0
Contract assets	505.2	523.5
Inventories	607.4	537.0
Prepayments	54.1	57.4
Income taxes recoverable	55.6	33.6
Derivative financial assets	25.3	19.3
Total current assets	\$ 2,024.0	\$ 2,112.9
Property, plant and equipment	1,991.3	2,149.3
Right-of-use assets	388.6	—
Intangible assets	2,014.4	2,027.9
Investment in equity accounted investees	431.4	312.1
Deferred tax assets	82.3	71.0
Derivative financial assets	11.4	12.8
Other assets	501.2	479.5
Total assets	\$ 7,444.6	\$ 7,165.5
Liabilities and equity		
Accounts payable and accrued liabilities	\$ 839.5	\$ 883.8
Provisions	24.8	28.7
Income taxes payable	23.9	25.7
Contract liabilities	715.3	670.2
Current portion of long-term debt	123.1	264.1
Derivative financial liabilities	7.9	17.0
Total current liabilities	\$ 1,734.5	\$ 1,889.5
Provisions	27.9	36.3
Long-term debt	2,462.0	2,064.2
Royalty obligations	132.8	136.2
Employee benefits obligations	251.3	212.6
Deferred gains and other liabilities	241.6	267.0
Deferred tax liabilities	147.1	147.0
Derivative financial liabilities	1.5	2.7
Total liabilities	\$ 4,998.7	\$ 4,755.5
Equity		
Share capital	\$ 675.8	\$ 649.6
Contributed surplus	26.7	24.8
Accumulated other comprehensive income	135.1	199.0
Retained earnings	1,524.8	1,457.9
Equity attributable to equity holders of the Company	\$ 2,362.4	\$ 2,331.3
Non-controlling interests	83.5	78.7
Total equity	\$ 2,445.9	\$ 2,410.0
Total liabilities and equity	\$ 7,444.6	\$ 7,165.5

Consolidated Income Statement

<i>(Unaudited)</i> <i>(amounts in millions of Canadian dollars, except per share amounts)</i>	Three months ended December 31		Nine months ended December 31	
	2019	2018	2019	2018
Revenue	\$ 923.5	\$ 816.3	\$ 2,645.9	\$ 2,282.1
Cost of sales	632.0	583.0	1,874.0	1,628.6
Gross profit	\$ 291.5	\$ 233.3	\$ 771.9	\$ 653.5
Research and development expenses	33.6	31.1	101.3	91.5
Selling, general and administrative expenses	118.3	101.4	329.6	292.0
Other gains – net	(3.5)	(2.5)	(15.3)	(17.1)
After tax share in profit of equity accounted investees	(11.8)	(9.7)	(34.3)	(23.1)
Operating profit	\$ 154.9	\$ 113.0	\$ 390.6	\$ 310.2
Finance expense – net	36.7	19.3	105.9	55.2
Earnings before income taxes	\$ 118.2	\$ 93.7	\$ 284.7	\$ 255.0
Income tax expense	18.4	14.2	46.9	40.3
Net income	\$ 99.8	\$ 79.5	\$ 237.8	\$ 214.7
Attributable to:				
Equity holders of the Company	\$ 97.7	\$ 77.6	\$ 233.0	\$ 207.7
Non-controlling interests	2.1	1.9	4.8	7.0
Earnings per share attributable to equity holders of the Company				
Basic	\$ 0.37	\$ 0.29	\$ 0.88	\$ 0.78
Diluted	\$ 0.37	\$ 0.29	\$ 0.87	\$ 0.77

Consolidated Statement of Comprehensive Income

<i>(Unaudited)</i>	Three months ended		Nine months ended	
<i>(amounts in millions of Canadian dollars)</i>	December 31		December 31	
	2019	2018	2019	2018
Net income	\$ 99.8	\$ 79.5	\$ 237.8	\$ 214.7
Items that may be reclassified to net income				
Foreign currency differences on translation of foreign operations	\$ (10.2)	\$ 137.9	\$ (98.2)	\$ 51.8
Reclassification to income of foreign currency differences	(8.0)	(2.0)	(19.9)	(17.9)
Net gain (loss) on cash flow hedges	5.9	(27.0)	15.4	(22.7)
Reclassification to income of (losses) gains on cash flow hedges	(0.1)	0.1	(3.2)	0.7
Net gain (loss) on hedges of net investment in foreign operations	22.7	(26.3)	32.6	(27.7)
Income taxes	(2.0)	3.9	7.8	8.6
	\$ 8.3	\$ 86.6	\$ (65.5)	\$ (7.2)
Items that will never be reclassified to net income				
Remeasurement of defined benefit pension plan obligations	\$ 30.9	\$ (14.6)	\$ (29.5)	\$ 18.5
Net gain on financial assets carried at fair value through OCI	0.1	0.1	—	—
Income taxes	(8.2)	3.9	7.8	(4.9)
	\$ 22.8	\$ (10.6)	\$ (21.7)	\$ 13.6
Other comprehensive income (loss)	\$ 31.1	\$ 76.0	\$ (87.2)	\$ 6.4
Total comprehensive income	\$ 130.9	\$ 155.5	\$ 150.6	\$ 221.1
Attributable to:				
Equity holders of the Company	\$ 129.0	\$ 150.6	\$ 147.4	\$ 209.9
Non-controlling interests	1.9	4.9	3.2	11.2

Consolidated Statement of Changes in Equity

(Unaudited)

Nine months ended December 31, 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	—	\$ —	\$ —	\$ —	\$ 233.0	\$ 233.0	\$ 4.8	\$ 237.8
Other comprehensive loss	—	—	—	(63.9)	(21.7)	(85.6)	(1.6)	(87.2)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (63.9)	\$ 211.3	\$ 147.4	\$ 3.2	\$ 150.6
Stock options exercised	1,317,280	25.7	(3.2)	—	—	22.5	—	22.5
Optional cash purchase of shares	1,323	—	—	—	—	—	—	—
Common shares repurchased and cancelled	(978,431)	(2.4)	—	—	(30.4)	(32.8)	—	(32.8)
Share-based compensation expense	—	—	5.1	—	—	5.1	—	5.1
Transactions with non-controlling interests	—	—	—	—	(1.4)	(1.4)	1.6	0.2
Stock dividends	85,887	2.9	—	—	(2.9)	—	—	—
Cash dividends	—	—	—	—	(82.2)	(82.2)	—	(82.2)
Balances, end of period	265,873,662	\$ 675.8	\$ 26.7	\$ 135.1	\$ 1,524.8	\$ 2,362.4	\$ 83.5	\$ 2,445.9

Nine months ended December 31, 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	—	\$ —	\$ —	\$ —	\$ 207.7	\$ 207.7	\$ 7.0	\$ 214.7
Other comprehensive (loss) income	—	—	—	(11.4)	13.6	2.2	4.2	6.4
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (11.4)	\$ 221.3	\$ 209.9	\$ 11.2	\$ 221.1
Stock options exercised	771,825	13.3	(1.8)	—	—	11.5	—	11.5
Optional cash purchase of shares	1,873	0.1	—	—	—	0.1	—	0.1
Common shares repurchased and cancelled	(3,610,100)	(8.7)	—	—	(84.1)	(92.8)	—	(92.8)
Share-based compensation expense	—	—	5.7	—	—	5.7	—	5.7
Stock dividends	113,600	3.0	—	—	(3.0)	—	—	—
Cash dividends	—	—	—	—	(74.3)	(74.3)	—	(74.3)
Balances, end of period	265,015,728	\$ 640.9	\$ 25.2	\$ 248.9	\$ 1,374.2	\$ 2,289.2	\$ 79.6	\$ 2,368.8

Consolidated Statement of Cash Flows

(Unaudited)

Nine months ended December 31

(amounts in millions of Canadian dollars)

	2019	2018
Operating activities		
Net income	\$ 237.8	\$ 214.7
Adjustments for:		
Depreciation and amortization	226.9	153.7
After tax share in profit of equity accounted investees	(34.3)	(23.1)
Deferred income taxes	6.9	24.9
Investment tax credits	6.3	(8.0)
Share-based compensation	13.3	3.4
Defined benefit pension plans	12.5	12.4
Other non-current liabilities	(32.0)	(22.1)
Derivative financial assets and liabilities – net	(7.4)	4.4
Other	2.1	3.5
Changes in non-cash working capital	(133.3)	0.3
Net cash provided by operating activities	\$ 298.8	\$ 364.1
Investing activities		
Business combinations, net of cash acquired	\$ (10.1)	\$ (33.5)
Acquisition of investment in equity accounted investees	(113.5)	—
Addition of assets through the monetization of royalties	—	(202.7)
Additions to property, plant and equipment	(199.4)	(155.6)
Proceeds from disposal of property, plant and equipment	0.4	2.5
Additions to intangible assets	(69.7)	(62.1)
Net payments to equity accounted investees	(10.3)	(27.0)
Dividends received from equity accounted investees	22.6	7.1
Other	0.8	2.9
Net cash used in investing activities	\$ (379.2)	\$ (468.4)
Financing activities		
Net proceeds from borrowing under revolving unsecured credit facilities	\$ 135.3	\$ —
Proceeds from long-term debt	161.4	84.3
Repayment of long-term debt	(229.6)	(66.6)
Repayment of lease liabilities	(64.5)	(8.3)
Dividends paid	(82.2)	(74.3)
Issuance of common shares	22.5	11.6
Repurchase of common shares	(32.8)	(92.8)
Changes in restricted cash	15.7	—
Other	(1.3)	—
Net cash used in financing activities	\$ (75.5)	\$ (146.1)
Effect of foreign exchange rate changes on cash and cash equivalents	\$ (11.7)	\$ 0.6
Net decrease in cash and cash equivalents	\$ (167.6)	\$ (249.8)
Cash and cash equivalents, beginning of period	446.1	611.5
Cash and cash equivalents, end of period	\$ 278.5	\$ 361.7
Supplemental information:		
Interest paid	\$ 75.5	\$ 38.0
Interest received	7.8	10.5
Income taxes paid	25.5	23.4