Celestica to Advance High Growth, High-Margin Strategy with Acquisition of PCI

Investor Presentation

September 22, 2021

Celestica™ + pci

Cautionary Note Regarding Forward - Looking Statements

This presentation contains forward-looking statements, including, without limitation, those related to our future growth, prospects and possible future actions; trends in the electronics manufacturing services (EMS) industry and our segments (and/or their constituent businesses), and their anticipated impact on our business; our strategies; use of our credit facility; our anticipated acquisition (PCI Acquisition) of PCI Limited (PCI), and the anticipated timing, cost, financing, impact, synergies and benefits thereof, including those on slides 5, and 7-12 “Strong Foundation to Drive Shareholder Value,” “Compelling Benefits to Long-term Strategy,” “PCI Acquisition Directly Aligned with M&A Criteria,” “PCI’s Strong Outlook is Expected to be Accretive to Celestica’s Financial Metrics”, “Compelling, High Growth Business That Accelerates Celestica’s Strategy,” “Steady Margin Expansion Creates Opportunity to Unlock Shareholder Value,” and “Raising 2022 Outlook”, as well as other statements concerning Celestica, PCI and their respective businesses; and our and PCI’s anticipated and/or projected financial and/or operational results and targets, including as a result of the PCI Acquisition. Such forward-looking statements may, without limitation, be preceded by, followed by, or include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “continues,” “project,” “potential,” “possible,” “contemplate,” “seek,” or similar expressions, or may employ such future or conditional verbs as “may,” “might,” “will,” “could,” “should,” or “would,” or may otherwise be indicated as forward-looking statements by grammatical construction, phrasing or context. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the U.S. Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws.

Forward-looking statements are provided to assist readers in understanding management’s current expectations and plans relating to the future. This information has been provided to give an indication of Celestica's current expectations concerning the impact of the PCI Acquisition and readers are cautioned that such information may not be appropriate for other purposes. Forward-looking statements are not guarantees of future performance and are subject to risks that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including, among others, the risks discussed in our public filings at www.sedar.com and www.sec.gov, including in our 2020 Annual Report on Form 20-F (see, among other risk disclosures therein, Item 3(D), “Key Information — Risk Factors,” Item 5 “Operating and Financial Review and Prospects,” and Item 11, “Quantitative and Qualitative Disclosures about Market Risk”) and our most recent Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) filed with, and subsequent reports on Form 6-K furnished to, the U.S. Securities and Exchange Commission, and as applicable, the Canadian Securities Administrators, as well as risks related to: the failure to obtain (or a delay in obtaining) the necessary regulatory approval or the failure to satisfy the other closing conditions required for our purchase of PCI; a material adverse change at PCI; operational impacts that may affect PCI’s ability to achieve anticipated financial results; the purchase price for PCI varying from the expected amount; the inability to use cash on hand and/or borrowings under our credit facility (including a new anticipated term loan, or if unavailable at acquisition closing, borrowings under our revolver) to fund the PCI Acquisition as anticipated;; the failure to consummate the purchase of PCI when anticipated, in a timely manner, or at all, that the correlation between gross margin and valuation of peers specified herein is not causal, and that notwithstanding any increase in Celestica’s gross margin or the profitability of Celestica’s ATS segment (with or without the PCI Acquisition), there is no positive impact on our valuation; and if the PCI Acquisition is consummated, a failure to successfully integrate the PCI Acquisition, further develop our capabilities and/or customer base in expected markets or otherwise expand our portfolio of solutions, and/or achieve the other expected synergies and benefits from the PCI Acquisition; retaining or expanding our business due to execution or quality issues (including our ability to successfully resolve these challenges); our having sufficient financial resources to fund currently anticipated financial actions and obligations and to pursue desirable business opportunities; and potential negative impacts on our business resulting from significant uses of cash, securities issuances and/or increased third-party indebtedness for acquisitions (including increased third-party indebtedness for the anticipated PCI Acquisition) or to otherwise fund our operations.

The forward-looking statements contained herein are based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include those discussed in our public filings at www.sedar.com and www.sec.gov under the heading “Cautionary Note Regarding Forward-Looking Statements” or similarly-captioned sections, including in our 2020 Annual Report on Form 20-F and our most recent MD&A filed with, and subsequent reports on Form 6-K furnished to, the U.S. Securities and Exchange Commission, and as applicable, the Canadian Securities Administrators, as well as that: the applicable regulatory approval will be obtained and the other closing conditions to our purchase of PCI will be satisfied in a timely manner; no material adverse change will have occurred at PCI; our purchase of PCI will be consummated in a timely manner and on anticipated terms; our ability to use available cash on hand and incur further indebtedness under our credit facility will be as expected in order to finance the PCI Acquisition as anticipated; once acquired, we are able to successfully integrate PCI, further develop our ATS business, and achieve the other expected synergies and benefits from the PCI Acquisition; that all financial information provided by PCI is accurate and complete, and that all PCI forecasts of operating results are reasonable are were provided to Celestica in good faith; and we will continue to have sufficient financial resources to fund currently anticipated financial actions and obligations and to pursue desirable business opportunities, as well as the assumptions underlying our financial projections set forth in the Appendix to this presentation. While management believes these assumptions to be reasonable under the current circumstances, they may prove to be inaccurate, which could cause actual results to differ materially (and adversely) from those that would have been achieved had such assumptions been accurate. Forward-looking statements speak only as of the date on which they are made, and we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. All forward-looking statements attributable to us are expressly qualified by these cautionary statements

Non-IFRS Financial Measures, PCI Information and Selected Peer Information

Non-IFRS Financial Measures

In addition, this presentation refers to non-International Financial Reporting Standards (IFRS), non-US GAAP and non-Singapore Financial Reporting Standards (International) ("SFRS(I)") financial measures. Non-IFRS, non-GAAP and non-SFRS(I) financial measures do not have any standardized meaning prescribed by IFRS, US GAAP or SFRS(I), respectively and may not be comparable to similar measures presented by public companies that use non-IFRS, non-GAAP or non-SFRS(I) financial measures, as applicable, to describe similar operating metrics. Non-IFRS/GAAP/SFRS(I) financial measures are not measures of performance under IFRS/GAAP/SFRS(I) (as applicable) and should not be considered in isolation or as a substitute for any applicable IFRS/GAAP/SFRS(I) financial measure. We do not provide reconciliations for forward-looking non-IFRS financial measures, as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various events that have not yet occurred, are out of our control and/or cannot be reasonably predicted (including the PCI Acquisition), and that would impact the most directly comparable forward-looking IFRS financial measure. For these same reasons, we are unable to address the probable significance of the unavailable information. Forward-looking non-IFRS financial measures may vary materially from the corresponding IFRS financial measures.

PCI Information

All historical financial information with respect to the operations of PCI has been provided to Celestica by PCI, and we do not assume any responsibility or liability for the verification, accuracy or completeness of such information. Projected financial results of PCI are based on good faith estimates and assumptions of Celestica's management derived from forecasts and financial information provided by PCI. We have relied upon the management of PCI as to the reasonableness and achievability of their financial and operating forecasts and projections (and the assumptions and bases therefor), and we have assumed that all such information has been reasonably prepared and represents the best currently available estimates and judgments of such management and that the forecasts, projections and estimates reflected in such information will be realized in the amounts and in the time periods currently estimated by such management, but there can be no assurance that this will be the case.

Selected Peer Information

This presentation includes information from specified external reports, publications and filings (including on slides 10 and 11). We have not independently analyzed or verified any of the data from such third-party sources, or their underlying definitions, studies, surveys or assumptions. Market and economic data is subject to variations and cannot be verified by us due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in such documents.

Today’s Speakers

Rob Mionis

Chief Executive Officer
Celestica

Mandeep Chawla

Chief Financial Officer
Celestica

Eng Lin (“EL”) Teo

Chief Executive Officer
PCI Limited

Strong Foundation to Drive Shareholder Value

1 Transformation	Reshaped our portfolio to better align with our strategy	▪ **Disengaged from $1.25B in non-strategic revenue**
	Engaged in restructuring actions to decrease cost base	▪ **Drove $75M network-wide efficiencies program, supporting 6 consecutive quarters of non-IFRS operating margin(1) expansion**
	Executed disciplined acquisitions in ATS	▪ **Diversified into high growth, high margin end markets by acquiring Atrenne and Impakt**
2 Optimization	Invested in engineering capabilities and technology platforms	▪ **HPS business has achieved ~$1B in annual revenue(2)** ▪ **More than doubled ATS engineering-led wins in 2020, YTY**
3 Growth	Focus on organic growth	▪ **Non-Cisco LTM revenue(3) has grown 5% YTY** ▪ **Targeting 10% ATS segment organic growth in 2022**
	Focus on diversification	▪ **Lifecycle Solutions represents 60% of consolidated revenues *(2Q21)* vs. 39% in FY17** ▪ **Acceleration of diversification via PCI acquisition**

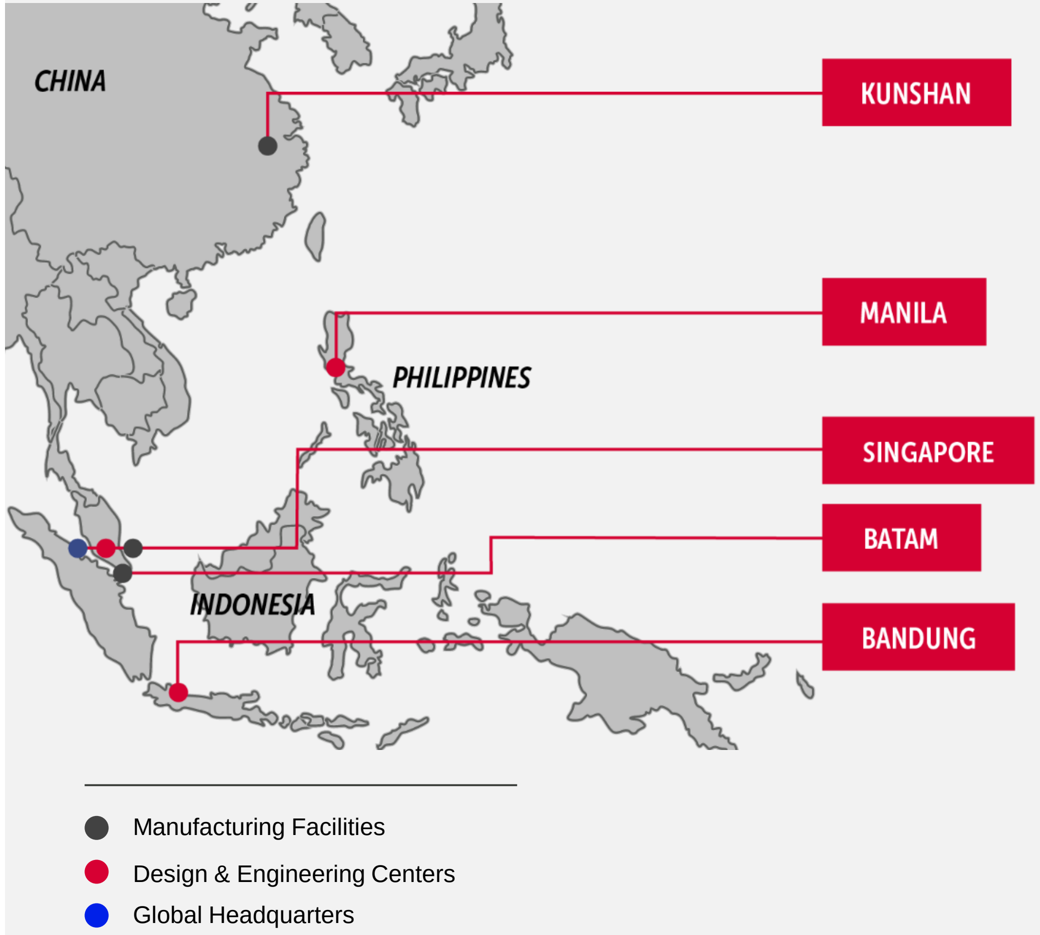
(1) See the Appendix for the definition of non-IFRS operating margin. See our quarterly earnings releases for a reconciliation of historic non-IFRS operating margin to IFRS earnings (loss) before income taxes as a percentage of revenue.
(2) From June 1, 2020 through June 30, 2021
(3) Reflects revenue from all customers other than Cisco Systems, Inc. from June 1, 2020 through June 30, 2021.

PCI: One of the Largest Asia EMS Providers with an Exclusive Focus on Diversified Markets

COMPANY OVERVIEW

- Based in Singapore with **five design and manufacturing centers** strategically located in Asia
- 50 years of operational expertise with a deep understanding of competitive dynamics in the Asia Pacific region
- Deep bench of leadership experience and a strong team of design engineers
- Scale and differentiation result in industry-leading profitability
- Significant engineering and design capability differentiating PCI from other EMS players
- Average relationship of **~14 years** with top **10 customers**
- **9 of top 10 customers** are US-based; **95% of sales** driven by Americas and European-based customers

MANUFACTURING SITES & DESIGN CENTERS FOOTPRINT



Compelling Benefits to Long-term Strategy

Will increase engineering capabilities, customer diversification and talent

✓ Strengthens approach toward engineering-focused engagements, including full product development in the following areas:

- **Radio Frequency** supports telematics solutions like fleet management
- **Human Machine Interface (HMI)** for commercial control panels, display tablets for industrial machines, voice recognition and AI capabilities
- **Internet of Things (IoT)** including embedded radio modules & sensors used in asset tracking, data harvesting
- **Embedded systems** including Single Board Computers, Computer on Modules (COMs)

✓ Adds differentiated engineering and design capabilities, as well as IP, in electronics, radio frequency (RF) solutions and proprietary embedded products

✓ Diversifies customer base with addition of 20+ customers

✓ Enhances ATS business and expands portfolio to better support customers through product lifecycles

✓ Expands and diversifies footprint and capabilities in critical Asia region

Driving Value Creation through Attractive Markets that are Growing

Provides Foothold In Attractive Markets

Telematics

Fleet Management

GPS

Bluetooth

Wi-Fi

Industrial

Climate Management

Electric Motors

Vision Systems

Specialty Equipment

Fitness Equipment

Lottery and Gaming Systems

Security Systems

Smart Home

Audio Technology

Smart Bed

Smart Appliances

PCI Acquisition Directly Aligned with M&A Criteria

Purchase Price	• $306 million in cash • Represents attractive EV/Adj. EBITDA(1) multiple of less than 7x
Financial Impact	• Accretive to non-IFRS adjusted EPS(2) in the first year • ROI(3) expected to exceed Celestica's cost of capital by the second year, or sooner
Transaction Financing	• Expect to finance transaction with cash on hand and new borrowings under our credit facility(4)
Timing and Closing Conditions	• Expect to close by mid-4Q 2021, subject to applicable regulatory approval and customary closing conditions

(1) Calculated based on PCI's projected non-SFRS(I) adjusted EBITDA for 2021. See the Appendix for the definition of PCI's non-SFRS(I) adjusted EBITDA and underlying assumptions. We do not provide reconciliations for forward-looking non-SFRS(I) financial measures, as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. See "PCI Information" on slide 3. PCI's EV = acquisition price of $306M.

(2) See the Appendix for the definition of non-IFRS adjusted net earnings and non-IFRS adjusted EPS, as well as non-IFRS operating earnings and non-IFRS operating margin. See our quarterly earnings releases for a reconciliation of historic non-IFRS adjusted net earnings to IFRS net earnings (loss), non-IFRS adjusted EPS to IFRS EPS, and non-IFRS operating earnings and margin to IFRS earnings (loss) before income taxes and IFRS earnings (loss) before income taxes as a percentage of revenue, respectively, for recent periods..

(3) ROI is a non-IFRS financial measure, and is defined as (non-IFRS operating earnings minus income tax expense)/acquisition price. See footnote (2).

(4) Celestica expects to fund a portion of the acquisition price with the addition of a new term loan under its current credit facility. If such new term loan is unavailable at acquisition closing, Celestica intends to use current availability under its existing revolver. Although Celestica believes that such term loan will be provided on acceptable terms, there can be no assurance that this will be the case (either concurrent with the acquisition closing, or at all).

PCI's Strong Outlook is Expected to be Accretive to Celestica's Financial Metrics

PCI FINANCIAL OVERVIEW

2021 Projected Revenue[1]	$325M
Revenue CAGR (3-year)[2]	10%
Diversified %	100%
2021 Projected Adj. EBITDA[3]	$45M
2021 Projected Adj. EBITDA Margin[3]	13.9%

Accretive to Margins and Advances Expansion in Attractive Diversified End Markets

Note: Year-to-date PCI financial information provided by PCI. Projections with respect to PCI performance are based on estimates and assumptions of Celestica's management derived from financial information provided by PCI. See slide 3. Projections do not include the impact of any synergies resulting from the anticipated acquisition by Celestica.

(1) Revenue projection based on the assumptions described in the Appendix.
(2) Period from 2018-2021E. CAGR (compound annual growth rate) is calculated using the formula: (Ending Value / Beginning Value)^(1/number of years) -1.
(3) See the Appendix for the definition of PCI's non-SRFS(I) adjusted EBITDA and non-SFRS(I) adjusted EBITDA margin, and underlying assumptions. We do not provide reconciliations for forward-looking non-SFRS(I) financial measures, as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. See slide 3.

Compelling, High Growth Business That Accelerates Celestica's Strategy

	Celestica ATS + PCI	**Plexus**	**Benchmark**
Total Revenue	$2.4bn	$3.4bn	$2.1bn
Long Term Growth Target	10%	9%-12%	5% (through 2022)
Gross Margin(1)	10.2%	9.7%	8.9%
EV/adj. EBITDA(2)	–	9.8x	7.9x

Notes: All PCI financial information underlying "Celestica ATS + PCI" measures provided by PCI. All information for Plexus and Benchmark, other than Long Term Revenue Growth Targets (which are based on, and attributable to, information contained in the relevant company's public filings and earnings call transcripts), are sourced from Bloomberg. See slide 3.
*Total revenue, gross margin and adjusted EBITDA are LTM measures as of June 30, 2021. Enterprise Value (EV) is per Bloomberg as of September 17, 2021.
**Combined Celestica ATS + PCI LTM information as of June 30, 2021 is on a pro forma basis assuming that the acquisition was consummated on July 1, 2020.

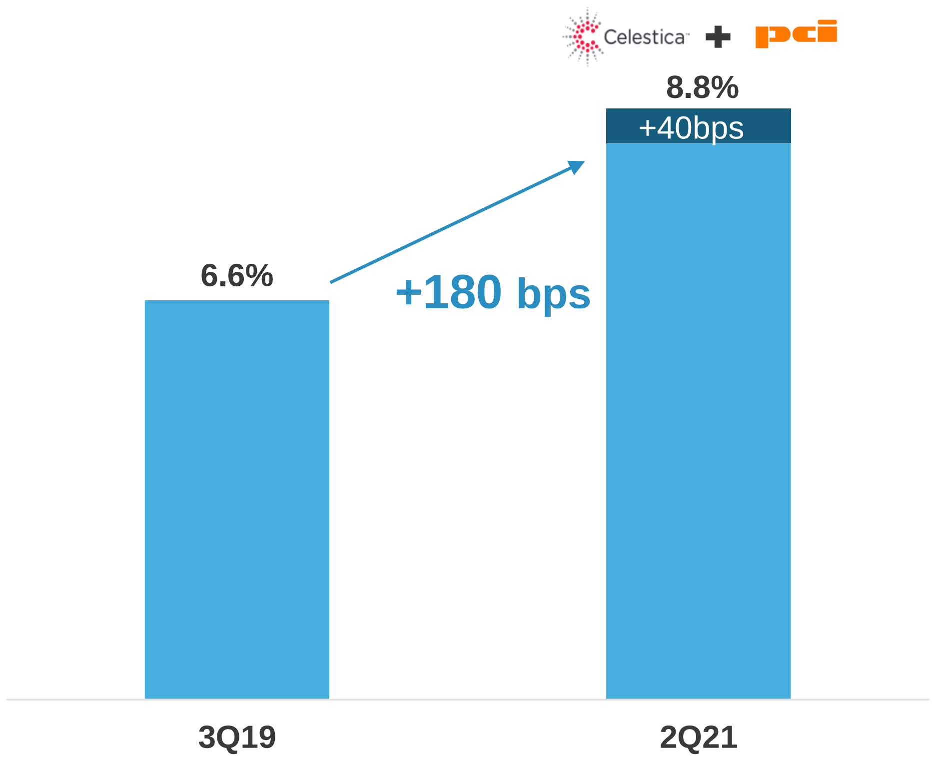
Opportunity for revaluation to close gap with ATS peers

- ✓ **ATS + PCI will be comparable in size and diversification to Plexus and Benchmark.**
- ✓ **ATS + PCI will have a targeted revenue growth rate of 10% over the long term.**
- ✓ **Like-sized Tier 1 ATS peers are currently trading at an EV/adj. EBITDA multiple of up to ~10x.**
  - **Celestica, inclusive of PCI, would trade at a multiple of 4.6x EV/adj. EBITDA.(3)**

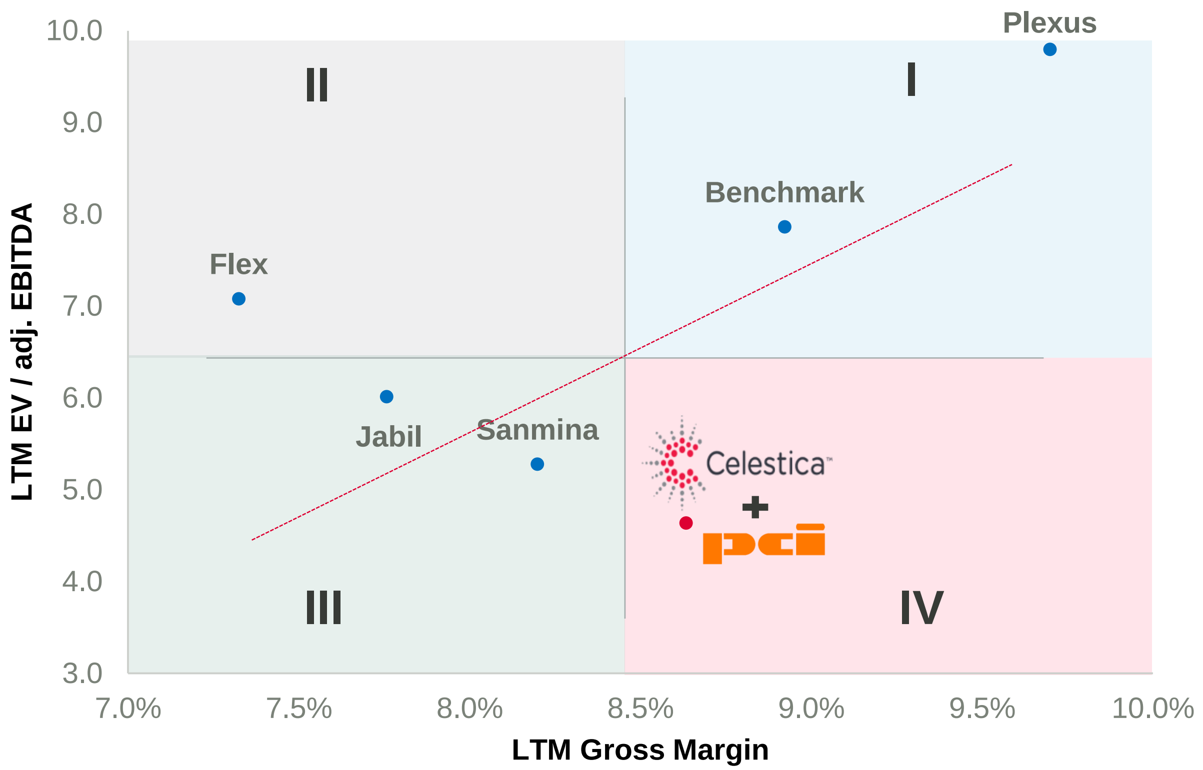
(1) Gross margin for Plexus and Benchmark is a GAAP measure; Gross margin for Celestica ATS + PCI is a non-IFRS measure calculated as ATS Segment Gross Margin (LTM as of June 30, 2021) of 9.6%, plus 60 bps of accretion from the addition of PCI. See the Appendix for the definition of Celestica's ATS Segment Gross Margin and relevant assumptions.
(2) Adjusted EBITDA is a non-GAAP financial measure for the ATS Peers (sourced from Bloomberg).
(3) See the Appendix for the definition of Celestica's non-IFRS adjusted EBITDA and PCI's non-SFRS(I) adjusted EBITDA. The 4.6x EV/adj. EBITDA multiple for Celestica + PCI is presented on a pro forma basis (LTM as of June 30, 2021), assuming the acquisition was consummated on July 1, 2020. See our quarterly earnings presentations for a reconciliation of historic non-IFRS adjusted EBITDA to IFRS earnings (loss) before income taxes for recent periods. EV combines Celestica's EV and PCI's EV which, is equal to the purchase price of $306M.

Steady Margin Expansion Creates Opportunity to Unlock Shareholder Value

Celestica non-IFRS Adjusted Gross Margin(1)



LTM Gross Margin(2)(3) vs. LTM EV/EBITDA(4)



Celestica's gross margin profile implies an opportunity to move quadrant IV to I

(1) Q2 2021 pro forma non-IFRS adjusted gross margin for Celestica + PCI consists of Celestica's reported non-IFRS adjusted gross margin for Q2 2021 (8.4%), plus 40 basis points of accretion from PCI for Q2 2021. See the Appendix for relevant assumptions. PCI's gross margin is provided by PCI, with no non-SFRS(I) adjustments (see slide 3). See the Appendix for the definition of Celestica's non-IFRS adjusted gross margin. See our quarterly earnings releases for a reconciliation of historic non-IFRS adjusted gross margin to IFRS gross margin for recent periods.

(2) LTM gross margin of Celestica + PCI is as of June 30, 2021 on a pro forma basis, assuming the acquisition was consummated on July 1, 2020. PCI gross margin provided by PCI (see slide 3). Peer LTM gross margins are as of June 30, 2021 (as of May 31, 2021 for Jabil) and are sourced by Bloomberg.

(3) EV is as of September 17, 2021, and was sourced by Bloomberg for all companies in the chart other than PCI. PCI's EV equals the purchase price of $306M.

(4) LTM adjusted EBITDA is as of June 30, 2021 for peers (as of May 31, 2021 for Jabil). LTM adjusted EBITDA for Celestica + PCI is derived from the combination of PCI's adjusted EBITDA (LTM as of June 30, 2021), as provided by PCI (see slide 3), assuming that the acquisition was consummated as of July 1, 2020, with Celestica's adjusted EBITDA (LTM as of June 30, 2021). Adjusted EBITDA is a non-IFRS financial measure for Celestica, a non-SFRS(I) financial measure for PCI and a non-GAAP financial measure for the peer companies specified in the chart. Adjusted EBITDA does not have a standard meaning and its definition varies from similarly-titled financial measures among companies. However, for purposes of the chart above, adjusted EBITDA of all noted companies (except PCI), were sourced by Bloomberg.

Raising 2022 Outlook[(1)]

Reflects Expected Top-line Growth and Non-IFRS Operating Margin[(2)] Expansion as a Result of PCI Acquisition

	Celestica (Pre-PCI)	Celestica (Post-PCI)
Revenue outlook	$6.0B, or more	$6.3B, or more
Non-IFRS operating margin range	3.75%-4.50%	4.0%-5.0%
ATS segment revenue	Not Provided	~$2.8B
ATS segment margin	5.0%-6.0%	~5.5%
Non-IFRS adjusted EPS[(3)] growth rate	10%, or more	20%, or more
Q2 2021 Gross debt / non-IFRS TTM adjusted EBITDA leverage ratio[(4)]	1.4x	1.8x (anticipated pro-forma basis)

The post-PCI measures reflect the impact of the anticipated completion of the PCI acquisition, and anticipated net synergies; and excludes impact of integration costs and one-time transaction-related costs (to be included in Other Charges - see the Appendix). Leverage ratio is as of June 30, 2021 (pre-PCI) and pro forma as of June 30, 2021, as if the acquisition had been consummated as of July 1, 2020.

(1) We do not provide reconciliations for forward-looking non-IFRS financial measures, as we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. See "Non-IFRS Financial Measures" on slide 3.

(2) See the Appendix for the definition of non-IFRS operating margin. See our quarterly earnings releases for a reconciliation of historic non-IFRS operating margin to IFRS earnings (loss) before income taxes as a percentage of revenue for recent periods.

(3) See the Appendix for the definition of non-IFRS adjusted net earnings and non-IFRS adjusted EPS. See our quarterly earnings releases for a reconciliation of historic non-IFRS adjusted net earnings to IFRS earnings (loss), and non-IFRS adjusted EPS to IFRS EPS for recent periods.

(4) See the Appendix for the definition of non-IFRS adjusted EBITDA, non-IFRS TTM adjusted EBITDA, TTM earnings before income taxes and gross debt/non-IFRS TTM adjusted EBITDA leverage ratio. See our quarterly earnings presentation for the second quarter of 2021 for a reconciliation of historical non-IFRS adjusted EBITDA to IFRS earnings before income taxes for recent periods, as well as our calculations of gross debt/non-IFRS TTM adjusted EBITDA and gross debt/IFRS TTM earnings before income taxes as of June 30, 2021. See our September 21, 2021 press release for a calculation of the Celestica Post-PCI gross debt / non-IFRS TTM adjusted EBITDA leverage ratio of 1.8x set forth herein.

PCI will immediately increase Celestica's exposure to new high-growth markets and provides capability platforms for its existing ATS businesses

	PCI Platforms	IoT	HMI	Embedded Systems	Radio Frequency
PCI end markets	**Smart Home**	✓	✓	✓	✓
	Industrial Equipment	✓	✓	✓	✓
	Telematics	✓	✓	✓	✓
	Specialty Equipment	✓	✓	✓	✓
CLS end markets	**Industrial & Smart Energy**	✓	✓	✓	✓
	HealthTech	✓	✓	✓	✓
	Aerospace & Defense	✓	✓		
	Capital Equipment	✓	✓		

PCI provides access to $100B+ TAM, growing at 15% CAGR

Q&A

Appendix

Appendix

Definitions of non-IFRS financial measures and assumptions used in forecasting

- **Celestica's non-IFRS operating margin** is defined as non-IFRS operating earnings (adjusted EBIAT) as a percentage of revenue**. Celestica's non-IFRS operating earnings (adjusted EBIAT)** is defined as earnings (loss) before income taxes, Other Charges (recoveries) (defined below), Finance Costs (defined below), employee stock-based compensation expense, and amortization of intangible assets (excluding computer software). Other Charges (recoveries) consist of (when applicable) restructuring charges (recoveries), impairment charges (recoveries), acquisition-related consulting, transaction and integration costs, as well as charges or releases related to the subsequent re-measurement of indemnification assets or liabilities recorded in connection with our acquisition of Impakt Holdings, LLC, legal settlements (recoveries), Transition Costs (recoveries), credit facility-related charges, and post-employment benefit plan losses. Finance Costs consist of interest expense and fees related to our credit facility (including any debt issuance and related amortization costs), our interest rate swap agreements, our accounts receivable sales program and our customers' supplier financing programs, and interest expense on our lease obligations, net of interest income earned. See our quarterly earnings releases and MD&A for the definition of Transition Costs, and separate quantification and discussion of the components of Other Charges (recoveries) for recent periods.
- **Celestica's non-IFRS adjusted net earnings** is defined as net earnings (loss) before: employee stock-based compensation expense; amortization of intangible assets (excluding computer software); Other Charges (recoveries); the income tax effect of the foregoing adjustments; and non-core tax impacts (tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites). **Celestica's non-IFRS adjusted EPS** is determined by dividing non- IFRS adjusted net earnings by the weighted average number of shares for the applicable period. See our quarterly earnings releases and MD&A for quantification of the components of Other Charges (recoveries), tax adjustments and non-core tax impacts for recent periods.
- **Celestica's gross debt/non-IFRS TTM adjusted EBITDA leverage ratio** as of June 30, 2021 is defined as Gross Debt (total borrowings under Celestica's credit facility, excluding ordinary course letters of credit) as of such date ($440 million) divided by **Celestica's non-IFRS TTM adjusted EBITDA** (defined below). The calculation of the 1.8x pro forma gross debt/non-IFRS TTM adjusted EBITDA leverage ratio presented on Slide 12 can be found in Celestica's September 21, 2021 press release.
- **Celestica's non-IFRS adjusted EBITDA** as of the date of determination is defined as earnings (loss) before income taxes, Other Charges (recoveries), Finance Costs, employee stock-based compensation expense, amortization of intangible assets (excluding computer software), and depreciation expense (under IFRS 16 and in relation to PP&E and computer software) as of such date. **Celestica's non- IFRS TTM adjusted EBITDA** as of June 30, 2021 is defined as the sum of Celestica's non-IFRS adjusted EBITDA as of such quarter-end plus Celestica's non-IFRS adjusted EBITDA as of the end of each of the preceding three quarters. See our earnings presentation for the second quarter of 2021 (Q2 2021) for a reconciliation of Celestica's non-IFRS adjusted EBITDA to IFRS earnings before income taxes as of the end of the Q2 2021 and as of the end of the preceding three quarters, and a reconciliation of Celestica's gross debt to non-IFRS TTM adjusted EBITDA ratio to IFRS gross debt to TTM earnings before income taxes ratio at the end of Q2 2021. **Celestica's TTM earnings before income taxes** as of June 30, 2021 is defined as the sum of earnings before income taxes as of such quarter-end plus earnings before income taxes as of the end of each of the preceding three quarters.

Appendix

Definitions of non-IFRS financial measures and assumptions used in forecasting …continued.

- **PCI's non-SFRS(I) adjusted EBITDA** as of the date of determination is defined as earnings (loss) before income taxes, PCI Other Charges (recoveries) (defined below), finance costs, amortization of intangible assets, and depreciation expense as of such date. PCI Other Charges (recoveries) consist of (when applicable) acquisition and restructuring charges (recoveries), including non-recurring professional fees, transaction expenses, inventory revaluations, financing and derivative fees, restructuring liquidation losses, severance expenses and staff cost savings; pro-forma and standalone-related adjustments, including monitoring fees, shareholder-appointed personnel costs and discontinued director costs; and other adjustments, including for audit and professional fees for holding companies, COVID-19-related (grants) expenses, exchange translations, audit adjustments and other one-time costs (recoveries). **PCI's non-SFRS(I) adjusted EBITDA margin** is defined as PCI's non-SFRS(I) adjusted EBITDA as a percentage of revenue.

- **Gross margin for Celestica's ATS segment ("ATS Segment Gross Margin")** is a non-IFRS financial measure defined as the ATS segment's net revenue less its cost of sales, as a percentage of ATS segment net revenue. For the LTM period ended June 30, 2021, our ATS segment gross margin was 9.6% (Slide 10).

- **Gross margin for Celestica ATS + PCI** is a non-IFRS measure, calculated by adding ATS Segment Gross Margin (LTM as of June 30, 2021) and accretion from the addition of PCI. This measure was determined on a pro forma basis using the following assumptions: (1) the LTM period is July 1, 2020 through June 30, 2021; (2) ATS Segment Gross Margin for the LTM period is 9.6%; (3) the accretive impact of PCI to ATS Segment Gross Margin was determined to be 60 bps, for a combined ATS + PCI pro forma non-IFRS adjusted gross margin of 10.2% (Slide 10).
  - The accretive impact of PCI was estimated on a normalized basis using assumptions with respect to: (1) estimated net revenues and gross profit for Celestica's ATS segment (as defined above) and PCI (both separately and on a combined basis) for the annual periods from 2022-2024; and (2) determining the average accretive benefit of the addition of PCI to Celestica's ATS portfolio over the three-year forecast period by comparing the forecasted combined ATS + PCI pro forma gross margin to the estimated ATS segment gross margin (assuming the acquisition was consummated in the fourth quarter of 2021).

- **Celestica's non-IFRS adjusted gross margin** is defined as (IFRS gross profit + employee stock-based compensation expense)/revenue. See our quarterly earnings releases for a reconciliation of historic non-IFRS adjusted gross margin to IFRS gross margin for recent periods.

- With reference to footnote (1) on Slide 11, the 40 basis points of accretion due to the impact of the addition of PCI was determined using the following assumptions:
  - (1) estimated net revenues and non-IFRS adjusted gross profit for Celestica, and estimated net revenues and gross profit for PCI, for the fiscal year 2021 (PCI's gross profit is unadjusted); (2) the combined estimated net revenues and estimated non-IFRS adjusted gross profit for Celestica and PCI on a pro forma basis for the fiscal year 2021 (assuming the acquisition was consummated on January 1, 2021); and (3) determining the accretive benefit by comparing the Celestica + PCI pro forma non-IFRS adjusted gross margin (assuming the acquisition was consummated January 1, 2021) to Celestica's estimated non-IFRS adjusted gross margin for 2021.

Appendix

Definitions of non-IFRS financial measures and assumptions used in forecasting…continued.

Assumptions Used in Forecasted Financial Measures for Celestica and PCI

- In estimating certain forecasted metrics, including; (1) Celestica's revenues and gross margin for 2021 (footnote (1), Slide 11); (2) Celestica ATS segment revenue and ATS Segment Gross Margin for 2022-2024 (footnote (1), Slide 10); (3) PCI projected revenue, gross margin and non-SFRS(I) adjusted EBITDA for 2021 (footnote (1), Slide 8; footnote (1),(3), Slide 9; footnote (1), Slide 11); and (4) PCI projected revenue and gross margin for 2022-2024 (footnote (1), Slide 10), the following assumptions were applied:
  - Continued growth (and recovery from adverse impacts due to the COVID-19 pandemic) in the broader economy, supporting the expected growth outlook in Celestica and PCI's end markets; the relative stability of general economic and market conditions, and currency exchange rates; continued growth in the trend of manufacturing outsourcing from customers in diversified end markets, supporting the expected long-term growth of Celestica's ATS business and PCI's business; no further material impact (other than that which is already anticipated) on revenues and costs as a result of COVID-19 pandemic-related issues, including but not limited to, measures from governments to curb the spread of the virus and potential mutations, negative impacts on global supply chains, and no significant negative impacts to the business operations of Celestica or PCI which would adversely affect revenues, gross margins or operating margins; normal customer retention rates and the impact of expected new program wins, transfers, losses or disengagements; no unforeseen changes in our mix of customers and/or the types of products or services we provide; no unforeseen adverse impacts from the potential impact of the pace of technological changes, customer outsourcing, program transfers, and the global economic environment; no undue negative impact on our customers' ability to compete and succeed using our products and services from unforeseen developments in the broader economy, or in those customers' industries; no unforeseen material price, margin pressures, and other competitive factors and adverse market conditions affecting, and the highly competitive nature of, the EMS industry in general and our segments in particular.