Fourth Quarter 2018 Financial Results

January 31, 2019

Celestica™

Cautionary Note Regarding Forward- Looking Statements

This presentation contains forward-looking statements, including, without limitation, those related to our future growth; trends in the electronics manufacturing services (EMS) industry, generally and in relation to our business; our anticipated financial and/or operational results and targets, including those on the slides captioned "Q1 2019 Outlook", "2019 Tax Rate Estimate", "Non-IFRS Operating Margin Target", "Q1 2019 End Market Revenue Outlook", and our anticipated non-IFRS adjusted annual effective tax rate. 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. 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, risks related to: our customers' ability to compete and succeed with our products and services; customer and segment concentration; challenges of replacing revenue from completed or lost programs or customer disengagements; changes in our mix of customers and/or the types of products or services we provide; the impact on gross profit of higher concentrations of lower margin programs; price, margin pressures and other competitive factors affecting, and the highly competitive nature of, the EMS industry in general and our Connectivity and Cloud Solutions (CCS) segment in particular; the cyclical nature of our capital equipment business, in particular our semiconductor business; our response to changes in demand, rapidly evolving and changing technologies, and changes in our customers' business and outsourcing strategies; customer, competitor and/or supplier consolidation; integrating acquisitions and "operate-in-place" arrangements, and achieving the anticipated benefits therefrom; retaining or expanding our business due to execution and quality issues (including our ability to successfully resolve these challenges); maintaining sufficient financial resources and working capital to fund currently anticipated financial obligations and to pursue desirable business opportunities; negative impacts on our business resulting from recent increases in third-party indebtedness, or significant uses of cash, securities issuances, and/or additional increases in third-party indebtedness for additional acquisitions or to otherwise fund our operation; delays in the delivery and availability of components, services and materials; the impact of our restructuring actions; the incurrence of future impairment charges or other write-downs of assets; managing our operations, growth initiatives, and our working capital performance during uncertain market and economic conditions; disruptions to our operations, or those of our customers, component suppliers and/or logistics partners, including as a result of global or local events outside of our/their control and the impact of significant tariffs on items imported into the U.S.; the expansion or consolidation of our operations; recruiting or retaining skilled talent; changes to our operating model; changing commodity, materials and component costs as well as labor costs and conditions; defects or deficiencies in our products, services or designs; non-performance by counterparties; our financial exposure to foreign currency volatility; our dependence on industries affected by rapid technological change; increasing taxes, tax audits, and challenges of defending our tax positions; obtaining, renewing or meeting the conditions of tax incentives and credits; the sale of our Toronto real property will be consummated when anticipated; the relocation of our corporate headquarters; computer viruses, malware, hacking attempts or outages that may disrupt our operations; the variability of revenue and operating results; compliance with applicable laws, regulations, government grants and social responsibility initiatives; and current or future litigation, governmental actions, and/or changes in legislation. The foregoing and other material risks and uncertainties are discussed in our public filings at www.sedar.com and www.sec.gov, including in our most recent MD&A, our most recent Annual Report on Form 20-F filed with, and subsequent reports on Form 6-K furnished to, the U.S. Securities and Exchange Commission (SEC), and as applicable, the Canadian Securities Administrators.

Our revenue, earnings and other financial guidance contained in this presentation are based on various assumptions, many of which involve factors that are beyond our control. Our material assumptions include those related to the following: fluctuation of production schedules from our customers in terms of volume and mix of products or services; the timing and execution of, and investments associated with, ramping new business; the successful pursuit, completion and integration of acquisitions; the success of our customers' products; our ability to retain programs and customers; the stability of general economic and market conditions, currency exchange rates, and interest rates; supplier performance, pricing and terms; compliance by third parties with their contractual obligations and the accuracy of their representations and warranties; the costs and availability of components, materials, services, equipment, labor, energy and transportation; that our customers will retain liability for recently-imposed tariffs and countermeasures; our ability to keep pace with rapidly changing technological developments; the impact of the recent U.S. tax reform on our operations; the timing, execution and effect of restructuring actions; the successful resolution of quality issues that arise from time to time; our having sufficient financial resources and working capital to fund currently anticipated financial obligations and to pursue desirable business opportunities; our ability to successfully diversify our customer base and develop new capabilities; the availability of cash resources for repurchases of outstanding subordinate voting shares; that we achieve the expected benefits from the acquisition of Atrenne Integrated Solutions, Inc. and Impakt Holdings, LLC; and that the sale of our Toronto real property will be consummated when anticipated. While management believes these assumptions to be reasonable under the current circumstances, they may prove to be inaccurate. 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.

In addition, this presentation refers to non-International Financial Reporting Standards (IFRS) measures. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other public companies that use IFRS, or who report under U.S. GAAP and use non-GAAP measures to describe similar operating metrics. Non-IFRS measures are not measures of performance under IFRS and should not be considered in isolation or as a substitute for any standardized measure under IFRS. 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. Forward-looking non-IFRS measures may vary materially from the corresponding IFRS financial measures.

CEO Remarks

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Q4 2018 Highlights

$US	Q4 2018	Comments
Revenue	$1.73B	10% YTY Increase; *11% YTY Growth in ATS* *10% YTY Growth in CCS*
IFRS Net Earnings	$60.1M	Up $46.5M YTY
IFRS EPS - diluted	$0.44	Up 35 cents YTY
Non-IFRS Operating Margin	3.5%	Up 0.3% YTY[1]
Non-IFRS Adjusted EPS – diluted	$0.29	Up 2 cents YTY[1]
Non-IFRS Adjusted ROIC	15.0%	Down 1.4% YTY[1]

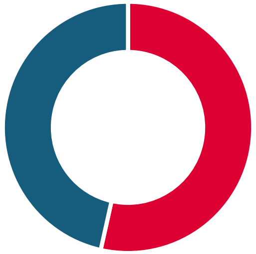
[1] Please refer to the appendix section of this presentation for a reconciliation of Non-IFRS financial measures to the most directly comparable IFRS measures.

ATS[1] and CCS[2] Segment Revenue and Profitability

Q4 2017 Revenue [4]

Q4 2018 Revenue [5]

Q4 2017 % of Total Segment Income



Q4 2018 % of Total Segment Income

4Q18 Revenue $	Sequential	Year over Year
ATS	Up 2%	Up 11%
CCS	Flat	Up 10%
Communications	*Down 8%*	*Up 7%*
Enterprise[3]	*Up 14%*	*Up 14%*

Segment Income[6]	4Q17	4Q18
ATS	26.7M	20.9M
CCS	23.2M	38.8M

Segment Margin[6]	4Q17	4Q18
ATS	5.2%	3.7%
CCS	2.2%	3.3%

[1] ATS consists of our Aerospace & Defense, Industrial, Smart Energy, Healthtech, and Capital Equipment businesses.

[2] CCS consists of our Communications and Enterprise end markets.

[3] Enterprise consists of our Servers and Storage businesses.

[4] In Q4 2017, Communications represented 40% of total revenue and Enterprise represented 27% of total revenue.

[5] In Q4 2018, Communications represented 39% of total revenue and Enterprise represented 28% of total revenue.

[6] Segment income is defined as a segment's net revenue less its cost of sales and its allocable portion of selling, general and administrative expenses and research and development expenses (collectively, Segment Costs). Identifiable Segment Costs are allocated directly to the applicable segment while other Segment Costs, including indirect costs and certain corporate charges, are allocated to our segments based on an analysis of the relative usage or benefit derived by each segment from such costs. Segment income excludes finance costs (net of refund interest, when applicable), amortization of intangible assets (excluding computer software), employee stock-based compensation expense, net restructuring, impairment and other charges (recoveries), other solar charges, and recognized fair value adjustments for inventory acquired in connection with acquisitions. See note 13 to our Q4 2018 unaudited interim condensed consolidated financial statements (Q4 2018 Interim Financial Statements) for quantification of net restructuring, impairment and other charges.

Q4 2018 Highlights[1]

$US Millions (Except for per share amounts and %)	**Q4 2018**	**B/(W) QTQ (vs. Q3 2018)**	**B/(W) YTY (vs. Q4 2017)**
Revenue	$1,727	$16	$157
IFRS Net Earnings	$60.1	$51.5	$46.5
IFRS EPS - diluted	$0.44	$0.38	$0.35
Non-IFRS Adjusted Gross Margin	7.2%	0.5%	0.5%
Non-IFRS Adjusted SG&A	$55.0	($5.0)	($8.6)
Non-IFRS Adjusted EBIAT	$59.7	$3.3	$9.8
Non-IFRS Operating Margin	3.5%	0.2%	0.3%
Non-IFRS Adjusted Effective Tax Rate	21%	6%	(4%)
Non-IFRS Adjusted Net Earnings	$39.7	$3.7	$0.6
Non-IFRS Adjusted EPS – diluted	$0.29	$0.03	$0.02
Non-IFRS Adjusted ROIC	15.0%	(1.2%)	(1.4%)

[1] Please refer to the appendix section of this presentation for definitions of the non-IFRS measures set forth in the table below, and a reconciliation of such non-IFRS financial measures to the most directly comparable IFRS measures.

Working Capital / Capex / Non-IFRS Free Cash Flow / NCIB[1]

$US		
6.0 inventory turns[2]	⇨	Inventory increased approximately $30M from last quarter to $1.1B
$19M Capex	⇨	1.1% of revenue
($36M) Non-IFRS Free Cash Flow	⇨	Decline resulted from higher working capital requirements and finance costs paid compared to Q4/17

Celestica completed its 2017 normal course issuer bid in November 2018. Since the commencement of this program through November 12, 2018, we paid $95 million (including transaction fees) to repurchase and cancel 8.7 million subordinate voting shares.

Cash Cycle Days

	4Q17[3]	3Q18	4Q18
Days in A/R	58	60	62
Days in Inventory	51	59	61
Days in A/P	(56)	(65)	(65)
Cash Cycle Days	**53**	**54**	**58**

[1] In December 2018, the Toronto Stock Exchange accepted our notice to launch a new normal course issuer bid (2018 NCIB) which allows us to repurchase approximately 9.5 million subordinate voting shares by December, 2019. There were no repurchases or cancellations of subordinate voting shares from the commencement of the 2018 NCIB through December 31, 2018.

[2] Not defined under IFRS

[3] Restated using financial data prepared under for IFRS 15, which we adopted effective January 1, 2018.

Balance Sheet

$US	At December 31, 2018
Cash and cash equivalents	$422M
Revolver	$159M
Term Loans	$598M

Net Cash: ($335M)

As of December 31, 2018, Celestica's non-IFRS debt leverage ratio was 2.6x. See the appendix section of this presentation for a reconciliation of non-IFRS debt leverage ratio to the most directly comparable measure determined under IFRS.

Debt leverage ratio is defined as Gross debt divided by non-IFRS trailing twelve month (TTM) adjusted EBITDA (each defined below). Debt leverage ratio and TTM adjusted EBITDA are non-IFRS financial measures. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other public companies that use IFRS, or who report under U.S. GAAP and use non-GAAP measures to describe similar operating metrics.

Gross debt is defined as the total borrowings under applicable credit facilities ($757M as of December 31, 2018).

Non-IFRS TTM adjusted EBITDA as of December 31, 2018 is defined as the sum of non-IFRS adjusted EBITDA for the end of the fourth quarter of 2018 and each of the previous three quarters. See the appendix section of this presentation for details on how non-IFRS adjusted EBITDA is calculated, as well as a reconciliation of historical non-IFRS adjusted EBITDA to IFRS earnings before income taxes for each such period.

Q1 2019 Outlook

$US	
Revenue	$1.45B - $1.55B
Non-IFRS Operating Margin	2.6% at the mid-point of revenue and non-IFRS adjusted EPS guidance ranges
Non-IFRS Adjusted EPS – diluted	$0.12 - $0.18
Non-IFRS Adjusted SG&A	$51M - $53M

2019 Tax Rate Estimate

Non-IFRS Adjusted Annual Effective Tax Rate between 19% and 21%[1,2]

Non-IFRS Operating Margin Target

Non-IFRS Operating Margin target range between 3.75% and 4.5% by the first half of 2020[1]

Guidance provided Thursday, January 31, 2019. Guidance is effective on the date provided and will only be updated through a public announcement.

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.

[1] The target range represents our objectives and goals and is not intended to be a projection or forecast of future performance.

[2] Our 2019 Tax Rate Estimate does not include the impact of taxable foreign exchange

Q1 2019 End Market Revenue Outlook

	Year over Year Revenue % Change
ATS[1]	Increase low-double digits
Communications	Increase mid-single digit
Enterprise[2]	Decrease mid-twenties digits

[1] ATS consists of Aerospace & Defense, Industrial, Smart Energy, Healthtech, and Capital Equipment.

[2] Enterprise consists of Servers and Storage.

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January 31, 2019

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Appendix

Segment Income and Margin[1]

Revenue by segment:

	Three months ended December 31				Year ended December 31			
	2017		2018		2017		2018	
		% of total		% of total		% of total		% of total
ATS	$ 513.0	33%	$ 567.4	33%	$ 1,958.6	32%	$ 2,209.7	33%
CCS	1,057.2	67%	1,159.6	67%	4,184.1	68%	4,423.5	67%
Total	$ 1,570.2		$ 1,727.0		$ 6,142.7		$ 6,633.2	

Segment income, segment margin, and reconciliation of segment income to IFRS earnings before income taxes:

	Three months ended December 31				Year ended December 31			
	2017		2018		2017		2018	
		Segment Margin		Segment Margin		Segment Margin		Segment Margin
ATS segment income and margin	$ 26.7	5.2%	$ 20.9	3.7%	$ 96.8	4.9%	$ 102.5	4.6%
CCS segment income and margin	23.2	2.2%	38.8	3.3%	120.4	2.9%	111.4	2.5%
Total segment income	49.9		59.7		217.2		213.9	
Reconciling items:								
Finance costs	2.6		9.2		10.1		24.4	
Employee stock-based compensation expense	7.4		8.4		30.1		33.4	
Amortization of intangible assets (excluding computer software)	1.1		5.1		5.5		11.6	
Net restructuring, impairment and other charges [2]	17.5		16.9		37.0		61.0	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Inventory fair value adjustment [3]	—		—		—		1.6	
IFRS earnings before income taxes	$ 21.3		$ 20.1		$ 133.1		$ 81.9	

[1] Segment income is defined as a segment's net revenue less its cost of sales and its allocable portion of selling, general and administrative expenses and research and development expenses (collectively, Segment Costs). Identifiable Segment Costs are allocated directly to the applicable segment while other Segment Costs, including indirect costs and certain corporate charges, are allocated to our segments based on an analysis of the relative usage or benefit derived by each segment from such costs. Segment income excludes finance costs (net of refund interest, when applicable), amortization of intangible assets (excluding computer software), employee stock-based compensation expense, net restructuring, impairment and other charges (recoveries), other solar charges, and recognized fair value adjustments for inventory acquired in connection with acquisitions. See note 13 to our Q4 2018 Interim Financial Statements for quantification of net restructuring, impairment and other charges.

[2] See note 13 to our Q4 2018 Interim Financial Statements

[3] See note 5 to our Q4 2018 Interim Financial Statements

IFRS to non-IFRS Reconciliation

(in millions, except per share amounts and %)

	Three months ended December 31				Year ended December 31			
	2017		2018		2017		2018	
	(restated)	% of revenue		% of revenue	(restated)	% of revenue		% of revenue
IFRS revenue	$1,570.2		$1,727.0		$6,142.7		$6,633.2	
IFRS gross profit	$ 101.6	6.5%	$ 120.0	6.9%	$ 418.5	6.8%	$ 430.5	6.5%
Employee stock-based compensation expense	3.2		3.8		14.6		14.7	
Other solar charges (inventory write-down)	—		—		0.9		—	
Acquisition inventory fair value adjustment	—		—		—		1.6	
Non-IFRS adjusted gross profit	$ 104.8	6.7%	$ 123.8	7.2%	$ 434.0	7.1%	$ 446.8	6.7%
IFRS SG&A	$ 51.1	3.3%	$ 59.6	3.5%	$ 203.2	3.3%	$ 219.0	3.3%
Employee stock-based compensation expense	(4.2)		(4.6)		(15.5)		(18.7)	
Other solar charges (A/R write-down)	—		—		(0.5)		—	
Non-IFRS adjusted SG&A	$ 46.9	3.0%	$ 55.0	3.2%	$ 187.2	3.0%	$ 200.3	3.0%
IFRS earnings before income taxes	$ 21.3	1.4%	$ 20.1	1.2%	$ 133.1	2.2%	$ 81.9	1.3%
Finance costs	2.6		9.2		10.1		24.4	
Employee stock-based compensation expense	7.4		8.4		30.1		33.4	
Amortization of intangible assets (excluding computer software)	1.1		5.1		5.5		11.6	
Net restructuring, impairment and other charges [1]	17.5		16.9		37.0		61.0	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Acquisition inventory fair value adjustment	—		—		—		1.6	
Non-IFRS operating earnings (adjusted EBIAT) [1]	$ 49.9	3.2%	$ 59.7	3.5%	$ 217.2	3.5%	$ 213.9	3.2%

IFRS net earnings	$ 13.6	0.9%	$ 60.1	3.5%	$ 105.5	1.7%	$ 98.9	1.5%
Employee stock-based compensation expense	7.4		8.4		30.1		33.4	
Amortization of intangible assets (excluding computer software)	1.1		5.1		5.5		11.6	
Net restructuring, impairment and other charges (recoveries) [1]	17.5		16.9		37.0		61.0	
Other solar charges (inventory and A/R write-down)	—		—		1.4		—	
Acquisition inventory fair value adjustment	—		—		—		1.6	
Adjustments for taxes [2]	(0.5)		(50.8)		(6.5)		(56.7)	
Non-IFRS adjusted net earnings	$ 39.1		$ 39.7		$ 173.0		$ 149.8	
Diluted EPS								
Weighted average # of shares (in millions)	145.5		138.0		145.2		140.6	
IFRS earnings per share	$ 0.09		$ 0.44		$ 0.73		$ 0.70	
Non-IFRS adjusted earnings per share	$ 0.27		$ 0.29		$ 1.19		$ 1.07	
# of shares outstanding at period end (in millions)	141.8		136.3		141.8		136.3	
IFRS cash provided by (used in) operations	$ 43.7		$ (1.9)		$ 127.0		$ 33.1	
Purchase of property, plant and equipment, net of sales proceeds	(20.6)		(18.8)		(101.8)		(78.5)	
Finance lease payments	(1.7)		(0.9)		(6.5)		(17.0)	
Repayments from former solar supplier	—		—		12.5		—	
Finance costs paid	(2.6)		(14.3)		(10.2)		(36.0)	
Non-IFRS free cash flow [3]	$ 18.8		$ (35.9)		$ 21.0		$ (98.4)	
IFRS ROIC % [4]	7.0%		5.0%		11.5%		5.8%	
Non-IFRS adjusted ROIC % [4]	16.4%		15.0%		18.8%		15.1%	

Footnotes related to reconciliation on following slide

See Celestica Fourth Quarter 2018 Financial Results Press Release for a discussion of these exclusions used to determine these non-IFRS measures and their uses.

IFRS to non-IFRS Reconciliation…continued

(1) Management uses non-IFRS operating earnings (adjusted EBIAT) as a measure to assess performance related to our core operations. Non-IFRS adjusted EBIAT is defined as earnings before income taxes, finance costs (consisting of interest and fees related to our credit facility, our accounts receivable sales program and a customer's supplier financing program), amortization of intangible assets (excluding computer software) and in applicable periods, employee stock-based compensation expense, net restructuring and other charges (recoveries) (consisting of restructuring charges (recoveries), Acquisition Costs, legal settlements (recoveries), Toronto transition costs (recoveries), and the accelerated amortization of unamortized deferred financing costs), impairment charges (recoveries), other solar charges, and acquisition inventory fair value adjustments. See note 13 to our Q4 2018 Interim Financial Statements for separate quantification and discussion of impairment charges, and the components of net restructuring and other charges (recoveries).

(2) The adjustments for taxes, as applicable, represent the tax effects of our non-IFRS adjustments and non-core tax impacts (described below). which consist of tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites which consist of tax adjustments related to acquisitions, and certain other tax costs or recoveries related to restructuring actions or restructured sites (described below).

The following table sets forth a reconciliation of our IFRS tax expense and IFRS effective tax rate to our non-IFRS adjusted tax expense and our non-IFRS adjusted effective tax rate for the periods indicated, in each case determined by excluding the tax benefits or costs associated with the listed items (in millions, except percentages) from our IFRS tax expense for such periods:

	Three months ended December 31				Year ended December 31			
	2017	Effective tax rate	2018	Effective tax rate	2017	Effective tax rate	2018	Effective tax rate
	(restated)				(restated)			
IFRS tax expense and IFRS effective tax rate	$ 7.7	36%	$ (40.0)	(199)%	$ 27.6	21%	$ (17.0)	(21)%
Tax costs (benefits) of the following items excluded from IFRS tax expense:								
Employee stock-based compensation expense	0.9		1.1		1.7		2.3	
Amortization of intangible assets (excluding computer software)	—		—		—		—	
Net restructuring, impairment and other charges	(0.4)		0.7		1.0		1.4	
Other solar charges (inventory and A/R write-down)	—		—		0.4		—	
Non-core tax impact related to fair value adjustment on acquisitions *	—		49.6		—		53.3	
Non-core tax impacts related to restructured sites **	—		(0.6)		3.4		(0.3)	
Non-IFRS adjusted tax expense and Non-IFRS adjusted effective tax rate	$ 8.2	17%	$ 10.8	21%	$ 34.1	16%	$ 39.7	21%

* Consists of deferred tax assets attributable to our acquisitions of Atrenne Integrated Solutions, Inc (recorded in the second quarter of 2018) and Impakt Holdings, LLC (recorded in the fourth quarter of 2018).

** Includes the Solar Benefit recorded in the second quarter of 2017.

(3) Management uses non-IFRS free cash flow as a measure, in addition to IFRS cash provided by (used in) operations, to assess our operational cash flow performance. We believe non-IFRS free cash flow provides another level of transparency to our liquidity. Non-IFRS free cash flow is defined as cash provided by (used in) operations after the purchase of property, plant and equipment (net of proceeds from the sale of certain surplus equipment and property), finance lease payments, repayments from a former solar supplier, and finance costs paid. As a measure of liquidity, we intend to include any amounts we receive from the sale of our Toronto real property, if consummated, in non-IFRS free cash flow in the period of receipt. See note 13(b) to our Q4 2018 Interim Financial Statements. Note that non-IFRS free cash flow, however, does not represent residual cash flow available to Celestica for discretionary expenditures.

Reconciliation table on previous slide

IFRS to non-IFRS Reconciliation…continued

(4) Management uses non-IFRS adjusted ROIC as a measure to assess the effectiveness of the invested capital we use to build products or provide services to our customers, by quantifying how well we generate earnings relative to the capital we have invested in our business. Our non-IFRS adjusted ROIC measure reflects non-IFRS operating earnings, working capital management and asset utilization. Non-IFRS adjusted ROIC is calculated by dividing non-IFRS adjusted EBIAT by average net invested capital. Net invested capital (calculated in the table below) consists of the following IFRS measures: total assets less cash, accounts payable, accrued and other current liabilities and provisions, and income taxes payable. We use a two-point average to calculate average net invested capital for the quarter and a five-point average to calculate average net invested capital for the year. A comparable measure under IFRS would be determined by dividing IFRS earnings before income taxes by net invested capital (which we have set forth in the charts above and below), however, this measure (which we have called IFRS ROIC), is not a measure defined under IFRS.

IFRS to non-IFRS Reconciliation…continued

The following table sets forth, for the periods indicated, our calculation of IFRS ROIC % and non-IFRS adjusted ROIC % (in millions, except IFRS ROIC % and non-IFRS adjusted ROIC %):

	Three months ended December 31		Year ended December 31	
	2017	2018	2017	2018
	(restated)		(restated)	
IFRS earnings before income taxes	$ 21.3	$ 20.1	$ 133.1	$ 81.9
Multiplier to annualize earnings	4	4	1	1
Annualized IFRS earnings before income taxes	$ 85.2	$ 80.4	$ 133.1	$ 81.9
Average net invested capital for the period	$ 1,216.5	$ 1,594.1	$ 1,152.9	$ 1,413.6
IFRS ROIC % (1)	7.0%	5.0%	11.5%	5.8%

	Three months ended December 31		Year ended December 31	
	2017	2018	2017	2018
	(restated)		(restated)	
Non-IFRS operating earnings (adjusted EBIAT)	$ 49.9	$ 59.7	$ 217.2	$ 213.9
Multiplier to annualize earnings	4	4	1	1
Annualized non-IFRS adjusted EBIAT	$ 199.6	$ 238.8	$ 217.2	$ 213.9
Average net invested capital for the period	$ 1,216.5	$ 1,594.1	$ 1,152.9	$ 1,413.6
Non-IFRS adjusted ROIC % (1)	16.4%	15.0%	18.8%	15.1%

	December 31 2017	March 31 2018	June 30 2018	September 30 2018	December 31 2018
	(restated)				
Net invested capital consists of:					
Total assets	$ 2,964.2	$ 2,976.0	$ 3,212.2	$ 3,316.1	$ 3,737.7
Less: cash	515.2	435.7	401.4	457.7	422.0
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,228.6	1,278.1	1,413.8	1,473.3	1,512.6
Net invested capital at period end (1)	$ 1,220.4	$ 1,262.2	$ 1,397.0	$ 1,385.1	$ 1,803.1

	December 31 2016	March 31 2017	June 30 2017	September 30 2017	December 31 2017
	(restated)	(restated)	(restated)	(restated)	(restated)
Net invested capital consists of:					
Total assets	$ 2,841.9	$ 2,833.5	$ 2,876.7	$ 2,892.0	$ 2,964.2
Less: cash	557.2	558.0	582.7	527.0	515.2
Less: accounts payable, accrued and other current liabilities, provisions and income taxes payable	1,189.7	1,165.2	1,167.9	1,152.4	1,228.6
Net invested capital at period end (1)	$ 1,095.0	$ 1,110.3	$ 1,126.1	$ 1,212.6	$ 1,220.4

(1) See footnote 4 of the previous slide.

IFRS to non-IFRS Debt Leverage Ratio Reconciliation

(in millions of US dollars)

	3Q 2018	4Q 2018
Borrowings under the New Revolver*	$ 55.0	**$ 159.0**
Borrowings under the New Term Loans	350.0	**598.3**
Gross Debt	$ 405.0	**$ 757.3**

	4Q 2017	1Q 2018	2Q 2018	3Q 2018	4Q 2018
IFRS earnings before income taxes	$ 21.3	$ 19.4	$ 20.9	$ 21.5	**$ 20.1**
Other Charges (recoveries) (defined below)	17.5	10.5	15.8	17.8	**16.9**
Finance costs, net of refund interest income	2.6	3.3	4.9	7.0	**9.2**
Employee stock-based compensation expense	7.4	10.4	7.2	7.4	**8.4**
Atrenne fair value inventory adjustment	-	-	1.6	-	-
Other solar charges (inventory and A/R write-down)	-	-	-	-	-
Amortization of intangible assets (excluding computer software)	1.1	1.1	2.7	2.7	**5.1**
Non-IFRS adjusted EBIAT	$ 49.9	$ 44.7	$ 53.1	$ 56.4	**$ 59.7**
Depreciation expense (property, plant, equipment and computer software)	18.5	20.1	18.9	18.5	**20.0**
Non-IFRS adjusted EBITDA[1]	$ 68.4	$ 64.8	$ 72.0	$ 74.9	**$ 79.7**

	3Q 2018	4Q 2018
TTM earnings before income taxes[2]	$ 83.1	**$ 81.9**
Non-IFRS TTM adjusted EBITDA[2]	280.1	**291.4**

	3Q 2018	4Q 2018
Gross Debt	$ 405.0	**$ 757.3**
TTM earnings before income taxes[2]	83.1	**81.9**
Gross debt to TTM earnings before income taxes	4.9x	**9.2x**

	3Q 2018	4Q 2018
Gross Debt	$ 405.0	**$ 757.3**
Non-IFRS TTM adjusted EBITDA[2]	280.1	**291.4**
Gross debt to TTM adjusted EBITDA	1.4x	**2.6x**

*Excluding ordinary course letters of credit.

[1]Non-IFRS adjusted EBITDA is defined as earnings before income taxes, finance costs (consisting of interest and fees related to our credit facility, our accounts receivable sales program and a customer's supplier financing program, net of refund interest income), amortization of intangible assets (excluding computer software), and in periods where such charges have been recorded, employee stock-based compensation expense, other charges (recoveries) (consisting of restructuring charges (recoveries), impairment charges (recoveries), acquisition-related consulting, transaction and integration costs, legal settlements (recoveries), Toronto transition costs (recoveries), and the accelerated amortization of unamortized deferred financing costs), other solar charges, and acquisition inventory fair value adjustments (Atrenne). See note 5,6 and 13 to our Q4 2018 Interim Financial Statements for separate quantification and discussion of these exclusions.

[2]TTM earnings before income taxes as of any quarter-end 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 fiscals quarters. Non-IFRS TTM adjusted EBITDA as of any quarter-end is defined as the sum of non-IFRS adjusted EBITDA as of such quarter-end plus non-IFRS adjusted EBITDA as of the end of each of the preceding three fiscal quarters.

Fourth Quarter 2018 Financial Results

January 31, 2019

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