

An aerial photograph of an industrial facility, likely a power plant or refinery, featuring large-scale machinery, storage tanks, and numerous shipping containers. The word "ATLAS" is overlaid in large white letters across the center of the image.

# ATLAS

ATCO  
LISTED  
NYSE

Q1 2020 FINANCIAL RESULTS • MAY 5, 2020

# Agenda

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## **Bing Chen, President & Chief Executive Officer**

Q1 Highlights and Developments

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## **Peter Curtis, EVP and Chief Commercial & Technical Officer (Seaspan)**

Container Shipping Industry Update

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## **Ryan Courson, Chief Financial Officer**

Financial & Strategic Update

# Notice on Forward Looking Statements

This presentation contains forward-looking statements (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act) concerning our operations, cash flows, and financial position, including, in particular, with respect to our 2020 financial guidance, supply and demand within the containership market, and the expected timing for APR's new projects in Mexico to become operational. In addition, statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "continue," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "will," "may," "potential," "should," "guidance," and similar expressions are forward looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this presentation and are not intended to give any assurance as to future results. As a result, you are cautioned not to rely on any forward-looking statements. Forward-looking statements appear in a number of places in this presentation. Although these statements are based upon assumptions we believe are reasonable based upon available information, they are subject to risks and uncertainties. These risks and uncertainties include, but are not limited to: our future operating and financial results; our growth prospects and ability to expand our business; our business strategy and capital allocation plans, and other plans and objectives for future operations; our primary sources of funds for our short, medium and long-term liquidity needs; potential acquisitions, financing arrangements and other investments, and our benefits from such transactions; our financial condition and liquidity, including our ability to borrow and repay funds under our credit facilities, to refinance our existing facilities and to obtain additional financing in the future to fund capital expenditures, acquisitions and other general corporate activities; conditions in the public equity market and the price of our shares; changes in governmental rules and regulations or actions taken by regulatory authorities, and the effect of governmental regulations on our business; the financial condition of our customers, lenders and other counterparties and their ability to perform their obligations under their agreements with us; our continued ability to meet specified restrictive covenants in our financing and lease arrangements, our notes and our preferred shares; any economic downturn in the global financial markets and potential negative effects of any recurrence of such disruptions on the demand for the services of our containership or our mobile power solutions; the length and severity of the recent novel coronavirus (COVID-19) outbreak and its impact on our business; our expectations as to impairments of our vessels, including the timing and amount of potential impairments; the future valuation of our vessels and goodwill; future time charters and vessel deliveries, including future long-term charters for certain existing vessels; estimated future capital expenditures needed to preserve the operating capacity of our containership fleet and comply with regulatory standards, as well as our expectations regarding future dry-docking and operating expenses, including ship operating expense and general and administrative expenses; our expectations about the availability of vessels to purchase and the useful lives of our vessels; availability of crew, number of off-hire days and dry-docking requirements; general market conditions and shipping market trends, including charter rates and other factors affecting supply and demand; our continued ability to maintain, enter into or renew primarily long-term, fixed-rate time charters for our vessels; the potential for early termination of long-term time charters and our potential inability to enter into, renew or replace them; our ability to leverage to our advantage our relationships and reputation in the containership industry; the values of our vessels and other factors or events that trigger impairment assessments or results; taxation of our company and of distributions to our shareholders; our exemption from tax on U.S. source international transportation income; the continued availability of services, equipment and software from subcontractors or third-party suppliers

required to provide our power generation solutions; our ability to protect our intellectual property and defend against possible third party infringement claims relating to our power generation solutions; potential liability from future litigation; and other factors detailed from time to time in our periodic reports.

Forward-looking statements in this presentation are estimates and assumptions reflecting the judgment of senior management and involve known and unknown risks and uncertainties. These forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, these forward-looking statements should be considered in light of various important factors listed above and including, but not limited to, those set forth in "Item 3. Key Information—D. Risk Factors" in our Annual Report for the year ended December 31, 2019 on Form 20-F filed on April 13, 2020, and the "Risk Factors" in Reports on Form 6-K that are filed with the Securities and Exchange Commission (the "SEC") from time to time relating to our quarterly financial results.

We do not intend to revise any forward-looking statements in order to reflect any change in our expectations or events or circumstances that may subsequently arise. We expressly disclaims any obligation to update or revise any of these forward-looking statements, whether because of future events, new information, a change in our views or expectations, or otherwise. You should carefully review and consider the various disclosures included in our Annual Report and other filings made with the SEC, that attempt to advise interested parties of the risks and factors that may affect our business, prospects and results of operations.

# Introduction to Atlas

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## ATLAS

Leading Asset Owner & Operator

*World's Largest  
Containership Lessor*



**Leading Maritime Platform**

*Mobile Power  
Solution Lessor*



**Global Energy Platform**

# Five Key Priorities

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Atlas Enables Sustainable Growth and Value Creation in Both Seaspan and APR



# Financial Highlights

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## Atlas Highlights for the Quarter

- Robust liquidity of **\$393.7 million**
- **Increasing Seaspan 2020 revenue guidance from \$1,170 – \$1,195 million to \$1,185 – \$1,225 million**
- Record quarterly revenue of \$308.4 million
- Operating earnings of \$127.5 million
- Cash flow from operations of \$130.7 million
- Earnings per diluted share of \$0.15 for the first quarter; loss on derivative instruments contributed a loss of \$0.10 per diluted share for the first quarter

## Seaspan Operating Results

- Strong fleet utilization of 97.9%, containership leasing revenue of \$292.5 million
- **All 123 vessels in our global fleet have secured charters**

## APR Operating Results

- APR financial results are consolidated for the contribution period from February 29, 2020 to March 31, 2020 (transaction closed February 28, 2020)
- Power fleet Q1 utilization of 63.6%; 82.3% pro forma for contracts signed for 8x turbines in Mexicali

# Seaspan Developments

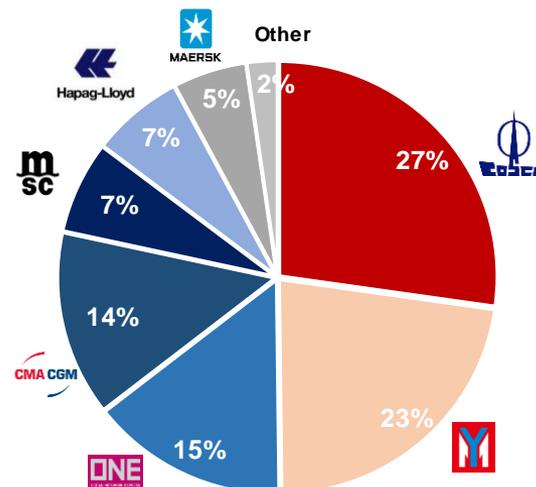
## Corporate Developments

- Closed holding company reorganization, creating Atlas Corp.
- Acquired four young 12000 TEU containerships, **surpassed one million TEU** with a fleet of 123 containerships, financed with attractive terms
- Increased commitments under portfolio financing program by \$100mn
- Successfully implemented COVID-19 mitigation measures

## Commercial and Operational Developments

- 6x charters extended from 4 to 10 years
- Year-to-date commenced 6 long-term charters
- Scrubbers installed successfully on three vessels
- LTIF at 0.76<sup>1</sup> (5% reduction from Dec 2019)
- ISO 14001 certification in process (expected in May)
- Ended quarter with \$4.3bn of future contracted revenue

Seaspan Fleet by Customer<sup>2</sup>



# APR Developments

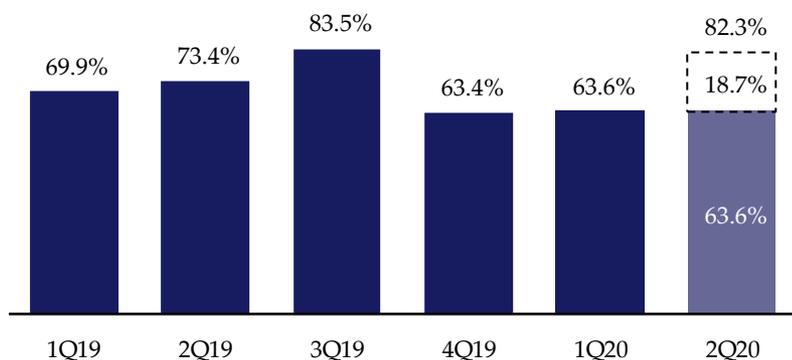
## Corporate Developments

- Completed \$285 million refinancing of APR debt; positions company for long-term growth
- Successfully enacted COVID-19 mitigation measures

## Overview of Mexicali Projects

- Signed contracts with two customers for a total of 8x turbines (265MW) across three sites in Mexico
- Ensures grid stability
- Expected to be operational in Q2 2020
- Second consecutive year providing support in Mexicali: 1 repeat customer, 1 new customer

### Power Fleet Utilization<sup>1</sup>



### Mexicali Turbine Projects

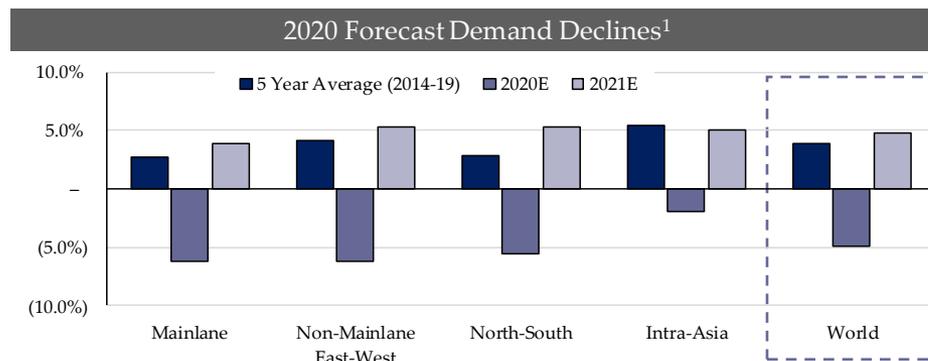


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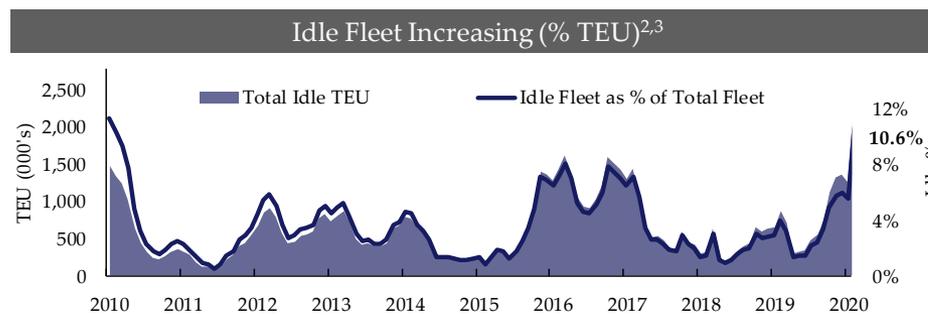
(1) 2Q20 Pro Forma for 265MW power contracts in Mexico

# Containership Supply & Demand

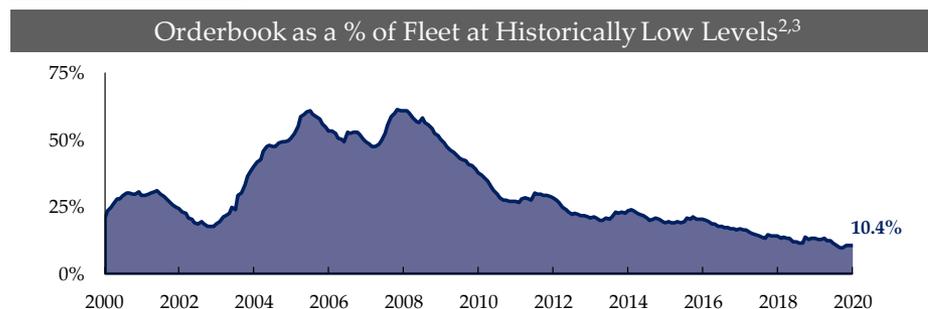
- World trade volumes expected to decline ~5-10% from 2019
- Slowing Europe / North American demand driving decline in mainlane trade
- China trade shows signs of recovery; strong recovery expected in 2021



- Idle fleet growing: uncontracted fleet mostly made up of smaller vessels
- 10.6% of global fleet idle, including vessels in drydocks for scrubber retrofiting



- Orderbook remains at historical low, expect slowdown of deliveries
- Continued order discipline during challenging period
- Likely caution on near-term new-build contracts



# 2020 Q1 Highlights

## Key Performance Metrics

<i>(US\$ Millions unless otherwise noted)</i>	Quarter Ended March 31	
	2019	2020
Seaspan Vessel Utilization	98.2%	97.9%
APR Turbine Utilization	69.9%	63.6%
Revenue	\$285	\$308
Operating Expenses	58	60
Depreciation and Amortization Expense	63	72
General and Administrative Expense	9	10
Operating Lease Expense	39	39
Income Related to Modification of Time Charters <sup>1</sup>	227	–
Operating Earnings	344	127
Net Earnings to Common Shareholders	267	35
Earnings Per Share, Diluted	1.26	0.15
Cash Flow From Operating Activities	129	131

## Key Balance Sheet Metrics

<i>US\$ Millions</i>	As of March 31	
	2019	2020
Total Assets <sup>2</sup>	\$8,522	\$9,111
Total Borrowings <sup>3</sup>	4,019	4,158
Shareholders' Equity	3,209	3,590

## Financial Highlights

- Record quarterly revenue (all-time high)
- Earnings per diluted share of \$0.15; loss on derivative instruments contributed a loss of \$0.10 per diluted share

### APR Energy

- Power fleet utilization of 63.6%; 82.3% pro forma for contracts signed for 8x turbines in Mexicali

### Seaspan

- Addition of 11x vessels since Q3 2019<sup>4</sup>
- Strong 97.9% utilization despite challenging chartering market environment

(1) \$227 million gain recognized in Q1 2019 relating to charter modifications

(2) Deferred revenue related to unearned interest income on the Company's finance lease arrangements has been reclassified to be presented on a net basis against the corresponding gross investment in lease asset balance, to reflect current year presentation

(3) Excludes deferred financing fees

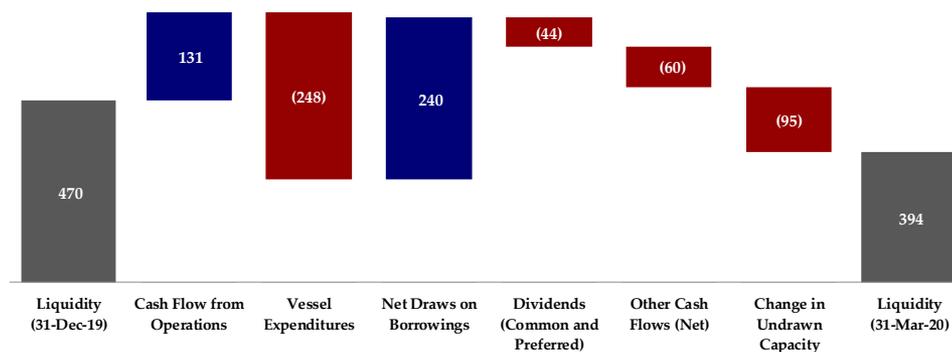
(4) 3 of which were delivered in April 2020

# Financial Strength and Stability

- Maintained robust liquidity position of \$393.7 million<sup>1</sup>
- Continued access to capital markets, completed acquisition financing for four 12000 TEU vessels
- Added \$100 million capacity under the award-winning financing program (\$1,755 million commitments)

## Liquidity Management in Q1<sup>1</sup>

(US\$ Millions)



- Stable leverage metrics alongside meaningful fleet growth (addition of 11 vessels since Q3 2019)<sup>2</sup>

## Capital Structure

Quarter Ended

(US\$ Millions)	1Q19	2Q19	3Q19	4Q19	1Q20
Net Debt <sup>3</sup>	\$3,559	\$3,266	\$3,336	\$3,565	\$4,090
Shareholders' Equity	3,209	3,205	3,205	3,233	3,590
Net Debt / Equity	1.1x	1.0x	1.0x	1.1x	1.1x
Unencumbered Vessels <sup>4</sup>	37	43	31	32	30

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- Liquidity includes cash and cash equivalents and undrawn committed credit facilities, excludes restricted cash
- 3 of which were delivered in April 2020
- Principal value of debt and long-term obligations under financing arrangements, less cash and cash equivalents
- Includes vessels which were in the process of being unencumbered

# 2020 Guidance<sup>1</sup>

(US\$ Millions)

Operating Metrics	Seaspan (Previous) <sup>2</sup>		Seaspan (Revised)		APR <sup>3</sup>	
	Low	High	Low	High	Low	High
Revenue	1,170	1,195	1,185	1,225	190	220
Operating Expense	240	250	245	255	40	54
General and Administrative Expense	35	40	35	40	38	40
Operating Lease Expense	145	155	145	155	3	4

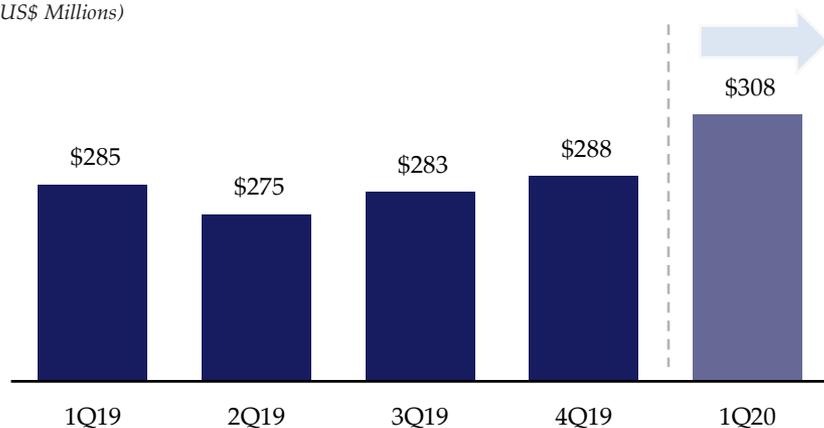
# APPENDIX



# Quarterly Performance

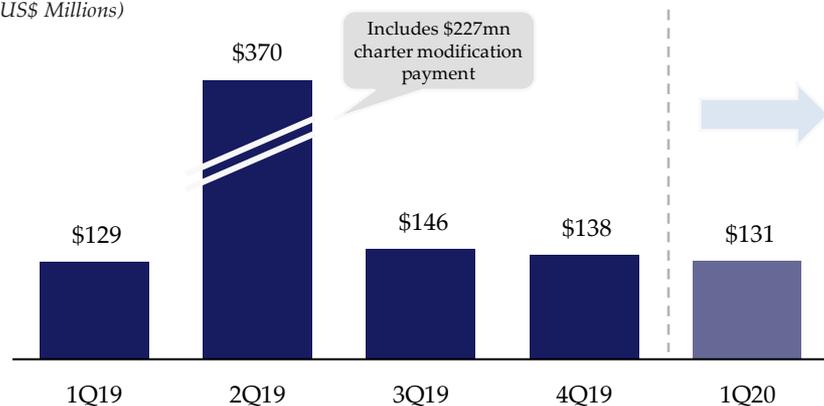
## Revenue

(US\$ Millions)



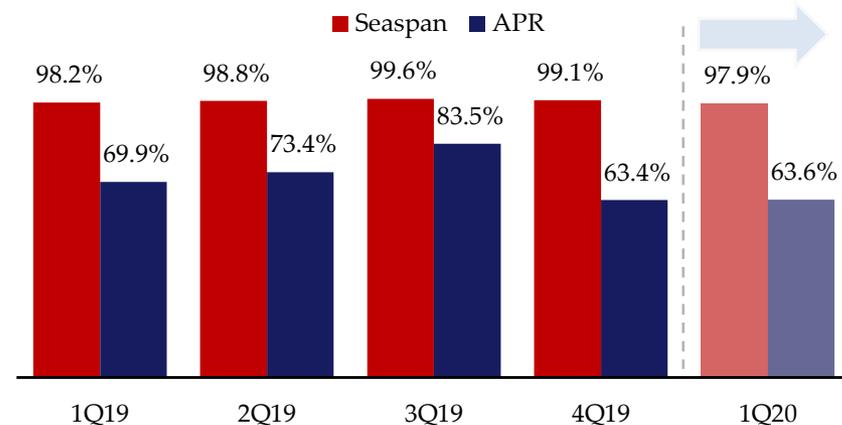
## Cash Flow from Operations<sup>2</sup>

(US\$ Millions)



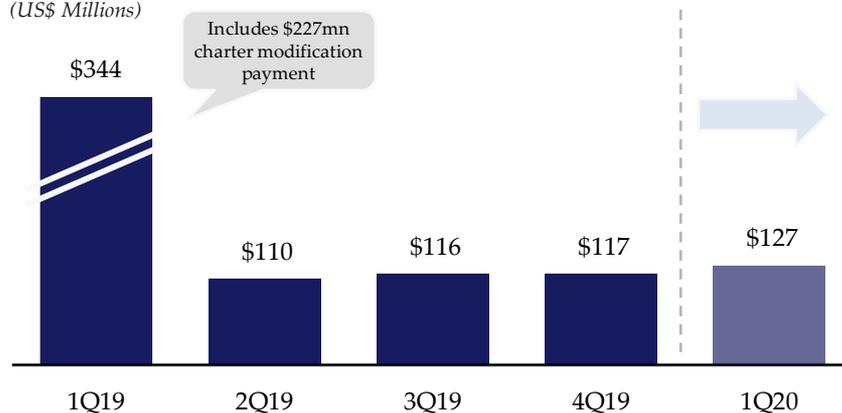
## Utilization Rate<sup>1</sup>

■ Seaspam ■ APR



## Operating Earnings

(US\$ Millions)



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- (1) Seaspam utilization rate includes vessels on bareboat charters; APR utilization rate represents total power fleet utilization
- (2) Cash flow from operations in historical periods reclassified to match current presentation