



SNC • LAVALIN



## Second Quarter 2020 Conference Call Presentation

July 31, 2020



# Forward-Looking Statements

Reference in this presentation, and hereafter, to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements.

Statements made in this presentation that describe the Company’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “aims”, “anticipates”, “assumes”, “believes”, “cost savings”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “should”, “synergies”, “target”, “vision”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: (i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Company’s operations; and (iii) the expected impacts of the COVID-19 pandemic on the business and its operating and reportable segments as well as elements of uncertainty related thereto. All such forward-looking statements are made pursuant to the “safe-harbour” provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company’s current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company’s business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this presentation are based on a number of assumptions believed by the Company to be reasonable as at the date hereof. The assumptions are set out throughout the Company’s annual 2019 Management Discussion and Analysis (MD&A) (particularly in the sections entitled “Critical Accounting Judgments and Key Sources of Estimation Uncertainty” and “How We Analyze and Report our Results”) and as updated in the first and second quarter 2020 MD&A. If these assumptions are inaccurate, the Company’s actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company’s assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risk factors are set out in the Company’s 2019 annual MD&A and as updated in the first and second quarter 2020 MD&A.

## Non-IFRS Financial Measures and Additional IFRS Measures

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS measures and additional IFRS measures are used by the Company in this presentation: Adjusted net income (loss) from PS&PM, Adjusted diluted EPS from PS&PM, Adjusted net income from Capital, Adjusted diluted EPS from Capital, Adjusted consolidated net income (loss), Adjusted consolidated diluted EPS, Segment Adjusted EBIT, Adjusted EBITDA from PS&PM, booking-to-revenue ratio and Segment Adjusted EBITDA. Additional details for these non-IFRS measures can be found below and in Section 9 of SNC-Lavalin’s MD&A for the second quarter of 2020, filed with the securities regulatory authorities in Canada, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.sncclavalin.com](http://www.sncclavalin.com) under the “Investors” section, including the various reconciliations of non-IFRS to the nearest corresponding IFRS measures in section 4,6,4 and 9.3 of the second quarter 2020 MD&A and Slide 32 of the presentation. Non-IFRS financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS measures provide additional insight into the Company’s operating performance and financial position and certain investors may use this information to evaluate the Company’s performance from period to period. However, these non-IFRS financial measures have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Furthermore, certain non-IFRS financial measures and additional IFRS measures are presented solely “from PS&PM”, as the Company believes that such measures are useful mainly for its PS&PM activities, as its Capital activities are usually analyzed separately by the readers using other measures.

## Basis of Financial Outlook

This presentation contains financial outlook both for the Company as a whole as well as its Resources Business and segment following the announced transformation plan for such business and segment. The financial outlook provided herein is based on the assumptions and methodology described below in this presentation as well as in the Company's second quarter 2020 Management's Discussion and Analysis under the heading, "How We Budget and Forecast Our Results" and the "Forward-Looking Statements" section above, and is subject to the risks and uncertainties summarized in the Company's 2019 Annual and second quarter 2020 Management's Discussion and Analysis, which are more fully described in the Company's public disclosure documents.



# Ian L. Edwards

## President and CEO

# Summary

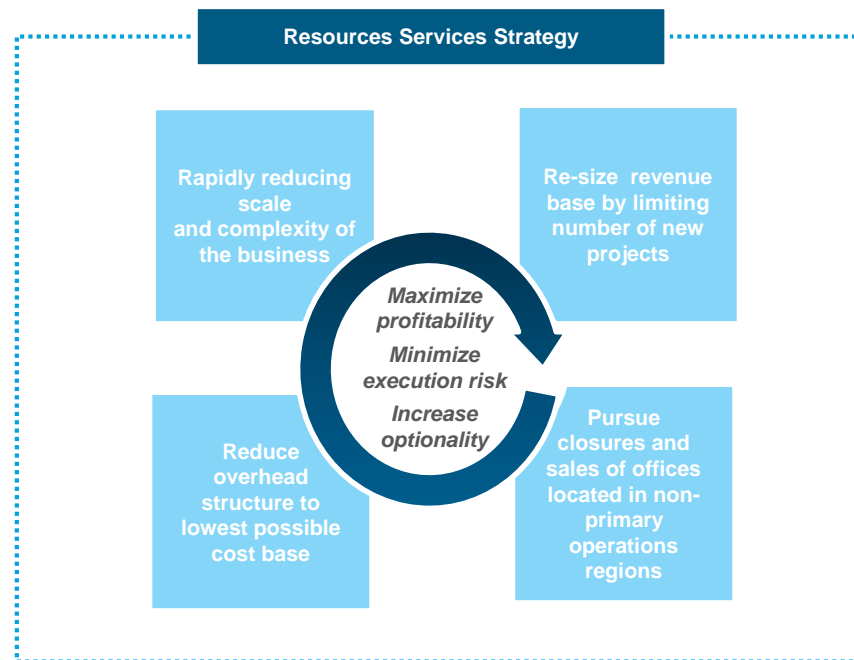
- › **Resources Business being transformed; simplified and refocused on profitable Services offering in primary regions, complementing Engineering Services capabilities**
  - › In line with our strategy to build a leading PS&PM\* company
  - › Believe that can generate profit margins over time in line with other engineering services businesses
  - › Focus on Americas and Middle East, leveraging capability, scale and market potential
- › **SNCL Engineering Services has been resilient through COVID-19**
  - › Strong results and operating cash flows due to the resilience of its diverse business
  - › Decisive and early actions taken to align costs proven to be effective
  - › Last year strategic direction position well the Company for future growth
- › **LSTK projects backlog continued to reduce, results impacted by COVID-19**
  - › Resources LSTK projects backlog remains on track to be largely completed by end of 2020
  - › Lower productivity from COVID-19 impacted LSTK projects in both Resources and Infrastructure EPC Projects resulting in project reforecasts, with Resources taking a \$70 million charge related to client disputes on a project
  - › Management considers these impacts to be largely limited to Q2, and not representative of current performance
- › **Strong financial position with strong Q2 Operating cash flow**

\*Professional Services & Project Management



# Resources Services – Being Simplified and Refocused

- › Services business to be re-focused on a small number of primary regions (Americas, Middle East) and key markets with durable competitive advantage
- › Establishing a targeted services foundation, delivered through proven capability and existing client positioning
- › Wind down all non-primary regions, through closures or sales (from 30 to 9 countries)
- › Agreement reached to sell South Africa business and divest European Fertilizer business
- › Revenue expected to be reduced to ~10% of SNC-Lavalin's total revenues in 2021<sup>1</sup>
- › Expect quarterly negative Segment Adjusted EBIT\* in the range of \$15M-\$25M in H2 2020, as non-primary operations regions wound down<sup>2</sup>



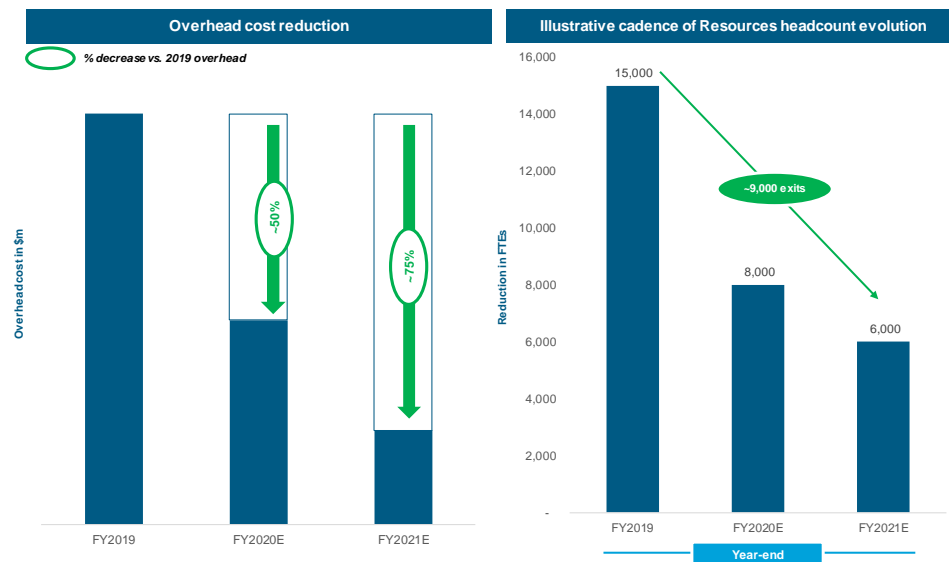
\*Non-IFRS financial measures. Refer to Section 9 of the Company's Q2 2020 MD&A for Non-IFRS financial measures definition and reconciliation to IFRS measures. See also the cautionary statement regarding Non-IFRS financial measures at slide 2. [www.snc-lavalin.com/en/investors/financial-information/quarterly-reports](http://www.snc-lavalin.com/en/investors/financial-information/quarterly-reports)

<sup>1</sup> Assumes SNC-Lavalin's current level of revenues and operations and assumes and gives effect to transformation plan for Resources as announced earlier today by way of press release.

<sup>2</sup> Refer to the section titled "Basis of Financial Outlook" on Slide 3 of this presentation regarding the basis of all financial outlook provided in this presentation.

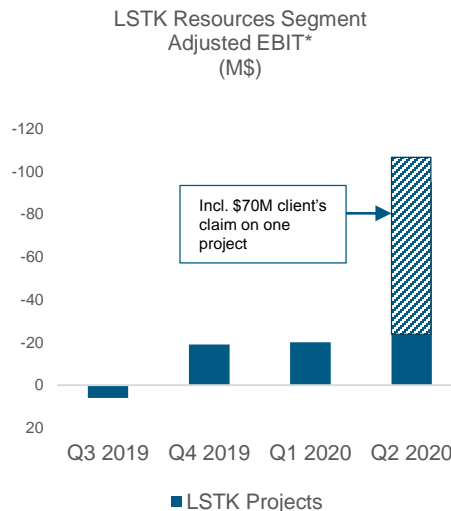
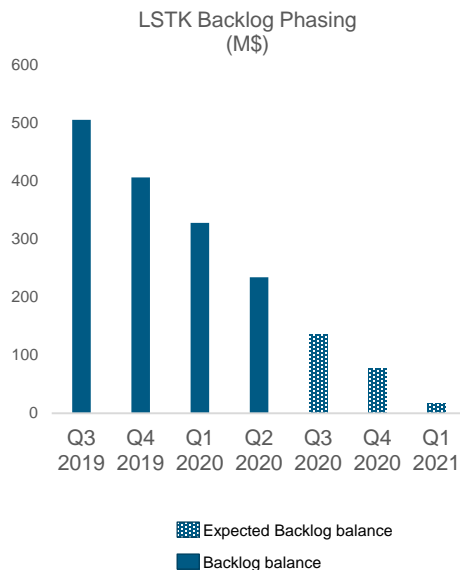
# Resources Services – Profitability Expected in 2021<sup>1</sup>

- › Focus on targeted “Services” offering: Engineering, PMC’s and Consultancy
- › Leveraging existing relationship in primary geographies with visible opportunities for project awards
- › Rigorous adherence to project selection criteria and oversight to reduce execution risk
- › Simplifying the geographic structure, exiting non primary locations
- › Overhead reduction plan in place to resized Resources business footprint
- › Overhead reduced by 75% by end of 2021
- › Expect breakeven in H1 2021
- › Expect to be profitable for the full year 2021



2

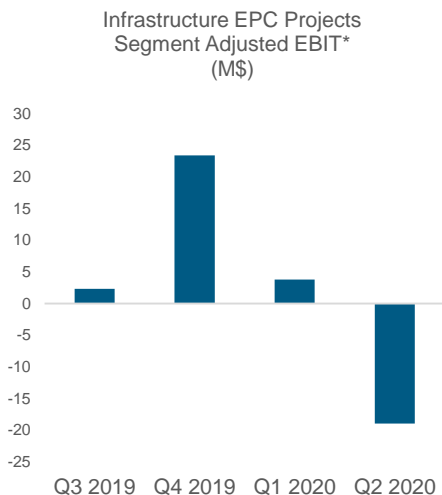
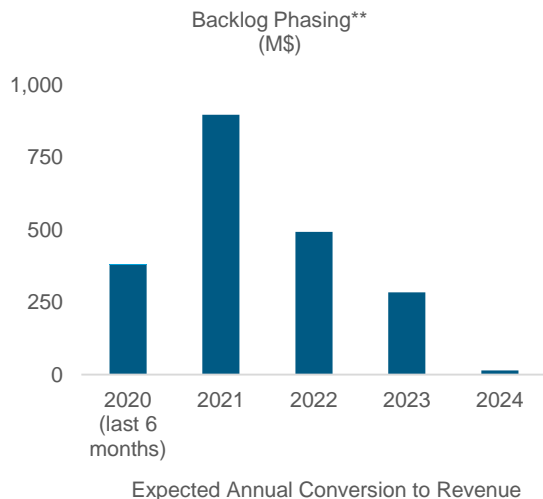
# Resources



- › Revenues of \$279M in Q2 2020
- › Negative Segment Adjusted EBIT\* of \$122M, incl. \$95M loss in LSTK
- › Q2 not representative of current performance, as incl. \$70M charge related to client disputes on a project
- › COVID-19 disrupted three consecutive quarters of effective management to limit LSTK losses
- › Only 3 quarters left to mostly complete all Resources LSTK projects
- › Management's visibility on completion risks considerably improved

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# Infrastructure EPC Projects



- › Revenues of \$183M in Q2 2020
- › Q2 2020 results includes forecast adjustments to reflect lower productivity caused by COVID-19 environment
- › Backlog remains on track to be completed in 2024

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\*\* Excludes the Husky White Rose project, as the project completion was suspended by the client in March 2020



# Q2 Highlights: Solid Results from SNCL Engineering Services<sup>1</sup>

## › SNCL Engineering Services

- › Revenue modestly down 2.0% vs. Q2 2019
- › Segment Adjusted EBIT\* up 7.4% vs. Q2 2019, margin at 9.0%
- › Strong backlog of \$11.0B, in line with end of Q1 2020



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# SNCL Engineering Services: EDPM Q2 Highlights

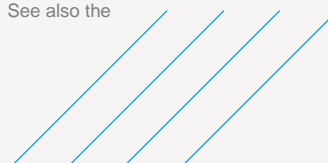
## Q2 performance

- › Core businesses in the UK, USA and Canada continue to perform well.
- › MEA performance continues to be impacted by COVID-19 and economic slowdown in activity.
- › Decisive management action in Q2 to reduce cost base with restructuring in MEA and the UK leading to an overall reduction in headcount of ~1,000 people.
- › 90% of staff continuing to work successfully from home with AsiaPAC teams back in the workplace.
- › Digital Future programme continues with a \$2.5M investment to help speed up design delivery.

## Notable wins in Q2

- › Work winning continues at pace with Q2 booking-to-revenue ratio\* at 1.08 and year to date at 1.05.
- › Overall pipeline remains robust at \$27B across 13,000 live opportunities.
- › Key wins include:
  - › Feltham Rail Re-signalling Phase 2 (UK); Thames Water Partnership (UK)
  - › Sound Transit – Federal Way Road Extension (USA); Florida DOT D2 General Engineering Consultant (USA)
  - › Tung Chung Line (AsiaPAC)

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# SNCL Engineering Services: Nuclear Q2 Highlights

## Q2 performance

- › Project Management; Engineering and Field Services; and Technologies; proved resilient across multiple market sectors and target geographies through COVID-19 period.
- › Business has been strong for winning work for major Env. Mgt and National Laboratory work.
- › Favorable mix combined with focused cost control delivers target EBIT margins.
- › Some revenue impacted across key geographies due to COVID-19 delays on key projects and management & operations of National Environment Management and Laboratories sites.

## Notable wins in Q2

- › US\$254M award by US DOE for uranium processing at Oakridge, Tennessee site.
- › US Government Accounting Office confirms DOE Hanford CPCC award (~US\$7B) to SNC-Lavalin JV.
- › US DOE shortlisted SNC-Lavalin for US\$3B portfolio of Decontamination and Decommissioning projects.
- › Multiple SNC-Lavalin proprietary technology awards, differentiating SNC-Lavalin in nuclear robotics, and waste treatment and waste management in target geographies.



# SNCL Engineering Services: Infrac. Services Q2 Highlights

## Q2 performance

- › All business lines performed well and proved resilient through the peak COVID-19 period.
- › O&M operations continued to operate generally at full service levels providing essential services.
- › Power, Grid and Industrial Solutions reduced site support but executed engineering services remotely.
- › Increased Linxon geographic presence in Europe, partially offset by slower contracts awards by clients.

## Notable wins in Q2

- › MRCU (Mobile Respiratory Care Units) – award by Government of Canada to deliver up to ten, 100-bed Mobile Health units, including the rapid response of advanced medical and logistical integration under one program management structure; the design and configuration of innovative solutions for urban and remote settings; and contracting and procurement for medical logistics services.
- › Calabogie – award to provide services to refurbish and expand a hydro generating station near Ottawa, ON.
- › Developed ASRI (Accelerating Shovel Ready Infrastructure) as an approach to expedite post-COVID infrastructure project development. Discussions progressing well with various governments.



# Capital: Q2 Highlights

## Highway 407 ETR

- › Modest but steady improvements in traffic volume, as Ontario continue to process with reopening businesses and easing restrictions across the GTA\*
- › Average traffic volume reductions at end of June of ~55% vs end of June 2019
- › Believe that bottom average traffic volume was reached late March when it was ~75% lower
- › No dividend received in Q2
- › Maintaining sufficient liquidity to satisfy its financial obligations
- › Concession agreement: 78 years remaining

## Other concessions

- › Minimal impact from COVID-19, as contracts are primarily availability-based

\*Greater Toronto Area



# Positioning SNC-Lavalin for long-term Sustainable success

2019 Sustainability Report released on July 7<sup>th</sup> - Transforming Society for Future Generations

## Environmental

### Strategic Direction Is Sustainable

- › Lowering the company's risk profile
- › Maintaining agility and supporting our clients to combat climate change and transition to low carbon economy
- › Pursuing opportunities within diversified project portfolio across UN Sustainable Development Goals 7, 11, and 13



## Social

### Value Embedded In Our Employees

- › Workforce Health & Safety
  - Perfect Days Performance Increase
  - Year: 2018 2019 2020 Goal
  - Perfect Days: 51 105 110
- › Diversity & Inclusion
  - Female to Male Salary Ratio<sup>(1)</sup>
  - Executive Level: 0.74 - 0.99
  - Manager Level: 0.79 - 1.0
  - Professional Level: 0.91 - 0.99
  - Technical Level: 0.80 - 1.15



## Governance

### Structures In Place

Board Oversight: Integrity Sustainability

Governance &  
Ethics Committee ✓

SWPR Committee<sup>(2)</sup> ✓

### Executive compensation linked to

- 1) Mandatory integrity trainings
- 2) Substantiated compliance investigation cases
- 3) HSE



# Conclusion

The business has demonstrated resilience through COVID-19, as a result of our strategic direction and decisive actions taken



## Q2 Results

- › SNCL Engineering Services delivered strong results due to its resilience
- › Strong financial position, with solid OCF
- › Resources LSTK loss disappointing, not representative of future quarterly performance
- › Wind down of LSTK remains on track; Resources LSTK to be largely complete by end of 2020



## SNC-Lavalin's Strategic Direction

- › Continue to execute and progress on strategy
- › Resources Services being simplified and refocused to deliver profit and to complement Engineering Services
- › Position for long-term sustainable success
- › Becoming a leading provider of PS&PM solutions



# Jeff Bell

## Chief Financial Officer



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## Q2 Financial Highlights

(\$M, except EPS)			
Three months ended June 30	2020	2019	Δ
Net loss attributable to SNC-Lavalin shareholders	-112	-2,118	-95%
Diluted EPS (\$)	-0.64	-12.07	-95%
Adjusted net income*			
from PS&PM	-38	-300	-87%
from Capital	7	66	-90%
	-32	-234	-87%
Adjusted diluted EPS* (\$)			
from PS&PM	-0.22	-1.71	-87%
from Capital	0.04	0.37	-89%
	-0.18	-1.34	-87%
As at June 30			
Cash and cash equivalents	1,591	581	174%
Recourse debt	1,669	2,991	-44%
Limited recourse debt	400	1,000	-60%
Backlog			
SNCL Engineering Services	10,982	10,935	0%
SNCL Projects	3,443	4,562	-25%
Capital	167	187	-11%
	14,592	15,684	-7%

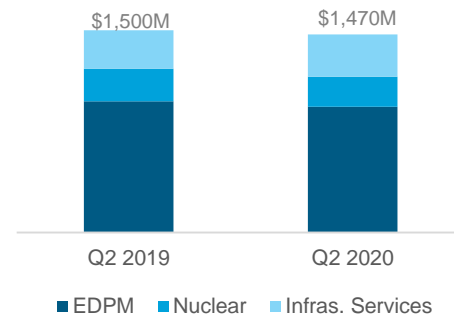
(\$M)			
Three months ended June 30	2020	2019	Δ
Revenues			
SNCL Engineering Services	1,469	1,500	-2%
SNCL Projects	462	709	-35%
Capital	22	75	-71%
	1,953	2,284	-15%
Segment Adjusted EBIT*			
SNCL Engineering Services	133	123	7%
SNCL Projects	-141	-307	-54%
Capital	18	69	-73%
	10	-115	-108%
Segment Adjusted EBIT to revenue ratio*			
SNCL Engineering Services	9.0%	8.2%	+0.8ppt
SNCL Projects	-30.6%	-43.4%	+12.8ppt
Capital	85.1%	92.6%	-7.5ppt
	0.5%	-13.5%	+14.0ppt
Corporate SG&A expenses	18	20	-10%
Adjusted EBITDA from PS&PM*	40	-152	n/a

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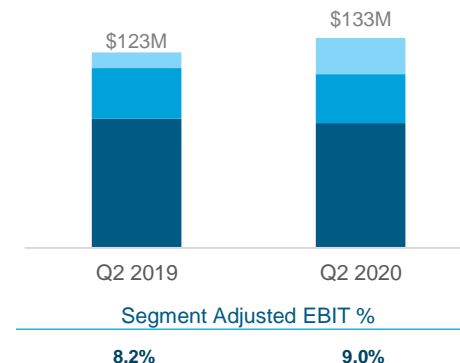
# SNCL Engineering Services (vs Q2 2019)

- › **SNCL Engineering Services** demonstrated resilience through COVID-19
  - › Revenue decreased modestly by 2.0%
  - › Segment Adjusted EBIT\* increased by 7.4% to \$133M
- › **EDPM**: 4.0% revenue decrease; 8.4% adj. EBIT margin\*
- › **Nuclear**: 8.5% revenue decrease; 14.0% adj. EBIT margin\*
- › **Infrastructure Services**: 10.1% revenue increase; 7.3% adj. EBIT margin\*

## Revenues



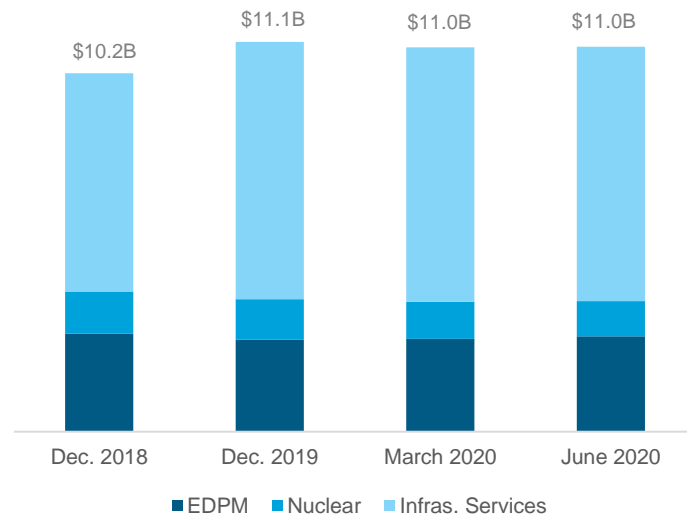
## Segment Adjusted EBIT\*



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# SNCL Engineering Services Backlog

- › Demonstrated resilience through unprecedented COVID-19 situation
- › End of June backlog in line with end of March 2020
- › EDPM backlog at \$2.7B, up 2.8% vs end of Q1 2020 (EDPM Q2 booking-to-revenue ratio\* of 1.08)
- › Q2 total bookings of \$1.5B; booking-to-revenue ratio\* of 1.01
- › YTD booking-to-revenue ratio\*:
  - › EDPM 1.05
  - › Nuclear 0.65
  - › Infrac. Services 0.88



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# SNCL Projects (vs Q2 2019)

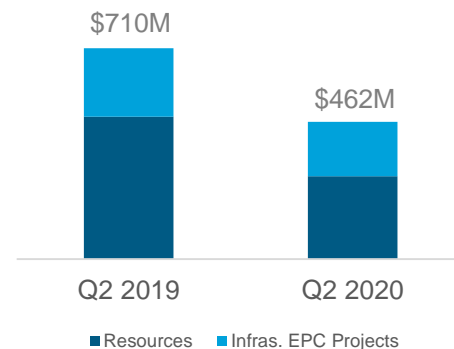
## › Infrastructure EPC Projects:

- › Revenue at \$182.6M, a 20.8% revenue decrease
  - › LSTK projects winding down
  - › Impact of COVID-19
  - › No new LSTK bidding
- › Negative Segment Adj. EBIT\* of \$19.0M

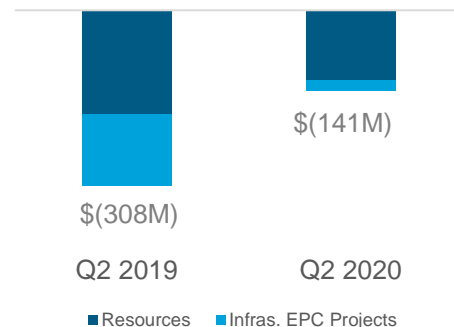
## › Resources:

- › Revenue at 279.1M, a 41.8% revenue decrease as LSTK projects winding down and no new LSTK bidding
- › Negative Segment Adj. EBIT\* of \$122.3M

## Revenues



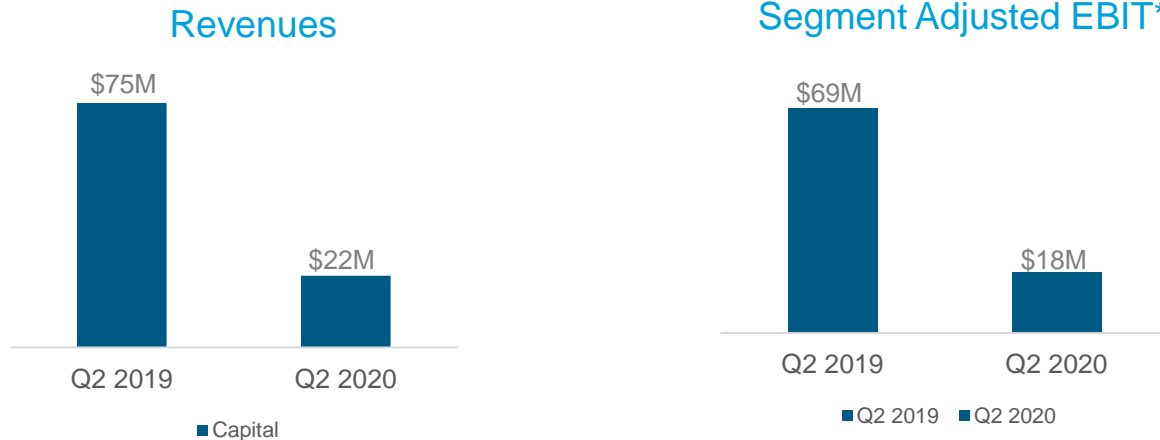
## Segment Adjusted EBIT\*



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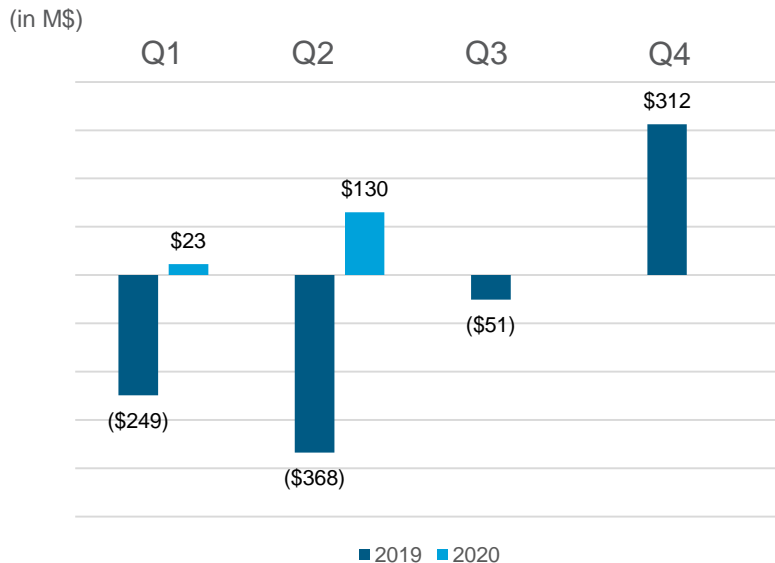
## Capital (vs Q2 2019)

Decrease in Revenues and Segment Adjusted EBIT\*, as no dividend received from H407 ETR



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# Net Cash Generated From (Used For) Operating Activities



Q2 cash generated from operating activities of \$129M

- › Improvement in working capital efficiency
- › Split by business line:
  - › SNCL Engineering Services net cash generated from operating activities of \$222M
  - › SNCL Projects net cash used for operating activities of \$(51M)
  - › Capital/Corporate net cash used for operating activities of \$(41M)
- › No dividend from H407 ETR in Q2 2019

# 2020 Outlook Update<sup>1</sup>

- › As the scale and economic impact on the business from COVID-19 becomes clearer, and the resiliency of the Company's businesses are supplemented by management actions, it provides improved visibility on the forecasted financial outcome for the remainder of the year.
- › The Company expects that for **SNCL Engineering Services**:
  - › H2 2020 revenues should decrease by a low to mid single digit percentage, compared to H2 2019; and
  - › H2 2020 Segment Adjusted EBIT\* margin should be between 8% and 10%
- › Assuming no significant deviation from the current COVID-19 worldwide situation.

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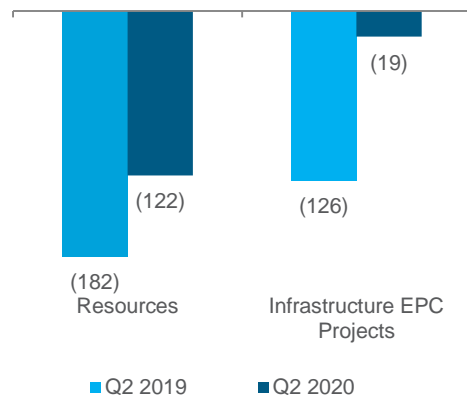
# Questions & Answers

# Appendix

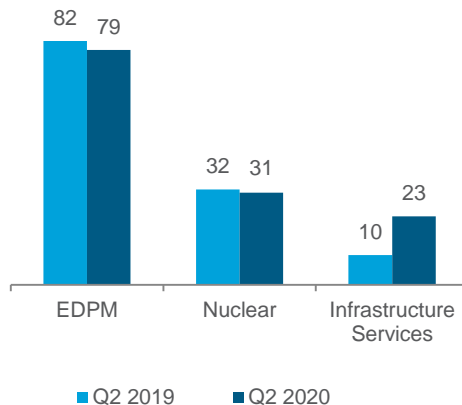
# PS&PM Segment Adj. EBIT\* – Q2 2020 vs Q2 2019

(in M\$)

## SNCL EPC Projects



## SNCL Engineering Services



Resources  
+\$60M

Both periods included unfavorable reforecasts on LSTK projects. Q2 2020 loss due to a \$70M charge related to client disputes on a Middle East project, lower productivity on LSTK projects and underperforming Services business, as cost reduction and restructuring activity was at an early stage.

Infrastructure  
EPC Projects  
+\$107M

Loss in Q2 2020 mainly due to forecast adjustments to reflect lower productivity caused by COVID-19.

EDPM  
-\$3M

Primarily due to reduced revenues as a consequence of COVID-19 and reduced investments associated with the fall in the oil price, partially offset by mitigation measures and restructuring to address the cost base.

Nuclear  
-\$1M

Lower contribution from Canada, partially offset by higher contribution from Europe and the USA, combined with lower overhead..

Infrastructure  
Services  
+\$13M

Linxon expanded geographic activity, as well as increased scope of works on certain O&M contracts and better performance on other existing and new contracts.

## Q1 Segment Adjusted EBIT %

(37.9%) (43.8%)

(54.7%) (10.4%)

8.4% 8.4%

13.2% 14.0%

3.5% 7.3%

2019 Full year EBIT %

(15.8%)

(9.9%)

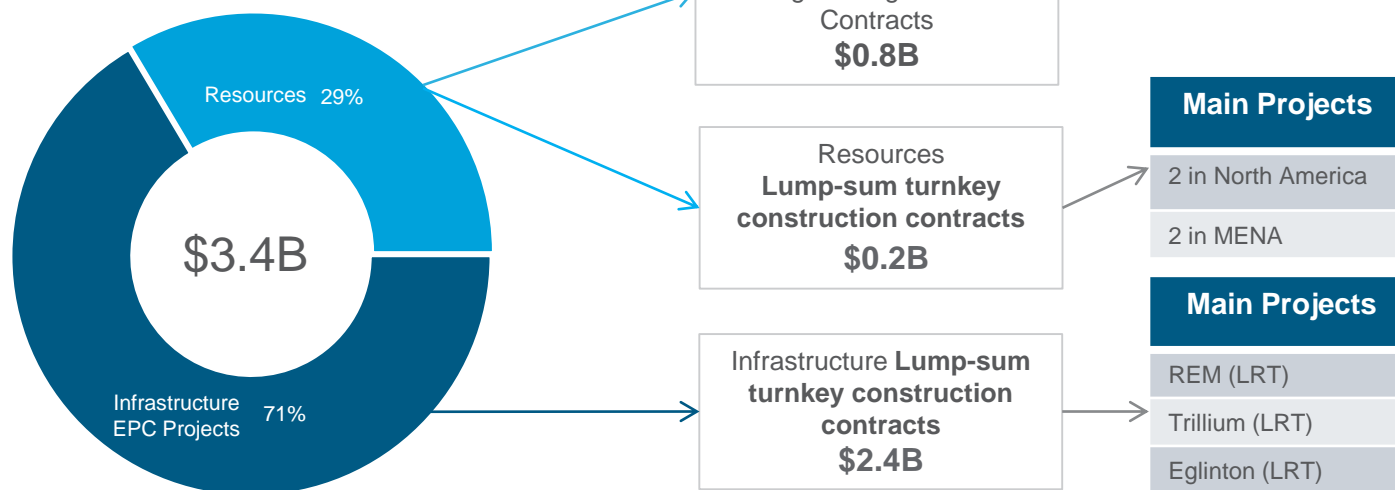
9.2%

13.7%

6.2%

# SNCL Projects: LSTK Construction Contracts in Backlog

SNCL Projects Total Backlog  
(June 30, 2020)



# Main Lump-Sum Turnkey Construction Projects in SNCL Projects Backlog

Resources Project	Country	Approximate Completion % (SNCL portion)	Expected substantial completion year	Backlog as at June 30, 2020 (\$M)	Client
Project #1	MENA	75	2021	<125	Confidential
Project #2	North America	50	2021	<50	Confidential
Project #3	MENA	>95	2020	<35	Confidential
Project #4	MENA	<b>Completed</b>			Confidential
Project #5	North America	75	2020	<10	Confidential
Infrastructure Project	Country	Approximate Completion % (SNCL portion)	Expected substantial completion year	Backlog as at June 30, 2020 (\$M)	Client
REM (LRT)	Canada	30	2023	<1,000	CDPQ Infra
Trillium (LRT)	Canada	20	2022	<700	City of Ottawa
Eglinton (LRT)	Canada	70	2022	<400	Infrastructure Ontario
Husky White Rose	Canada	<b>Project suspended as per client's directives</b>			Husky Energy
OLRT (LRT)	Canada	<b>In Operation</b>			City of Ottawa
Champlain Bridge	Canada	<b>In Operation</b>			Infrastructure Canada



# YTD Financial Highlights

(\$M, except EPS)			
Six months ended June 30	2020	2019	Δ
Net loss attributable to SNC-Lavalin shareholders	-178	-2,135	-92%
Diluted EPS (\$)	-1.01	-12.17	-92%
Adjusted net income*			
from PS&PM	-42	-315	-87%
from Capital	36	117	-69%
	-6	-197	-97%
Adjusted diluted EPS* (\$)			
from PS&PM	-0.24	-1.79	-87%
from Capital	0.21	0.67	-69%
	-0.03	-1.12	-97%
As at June 30			
Cash and cash equivalents	1,591	581	174%
Recourse debt	1,669	2,991	-44%
Limited recourse debt	400	1,000	-60%
Backlog			
SNCL Engineering Services	10,982	10,935	0%
SNCL Projects	3,443	4,562	-25%
Capital	167	187	-11%
	14,592	15,685	-7%

(\$M)			
Six months ended June 30	2020	2019	Δ
Revenues			
SNCL Engineering Services	3,004	2,942	2%
SNCL Projects	1,110	1,558	-29%
Capital	68	147	-54%
	4,182	4,647	-10%
Segment Adjusted EBIT*			
SNCL Engineering Services	244	224	9%
SNCL Projects	-195	-374	-48%
Capital	60	134	-55%
	109	-16	-773%
Segment Adjusted EBIT to revenue ratio*			
SNCL Engineering Services	8.1%	7.6%	+0.5ppt
SNCL Projects	-17.6%	-24.0%	+6.4ppt
Capital	89.3%	91.2%	-1.9ppt
	2.6%	-0.3%	+2.9ppt
Corporate SG&A expenses	55	26	0%
Adjusted EBITDA from PS&PM*	125	-73	n/a

\*Non-IFRS financial measures. Refer to Section 9 of the Company's Q2 2020 MD&A for Non-IFRS financial measures definition and reconciliation to IFRS measures. See also the cautionary statement regarding Non-IFRS financial measures at slide 2. [www.snc-lavalin.com/en/investors/financial-information/quarterly-reports](http://www.snc-lavalin.com/en/investors/financial-information/quarterly-reports)

# 407 ETR information

(in M\$, unless otherwise indicated)	Q2 2020	Q2 2019	Change	YTD 2020	YTD 2019	Change
Revenues	129.6	390.5	(66.8%)	417.4	699.6	(40.3%)
Operating expenses	36.2	43.1	(16.0%)	85.3	89.5	4.7%
EBITDA*	93.4	347.4	(73.1%)	332.1	610.1	(45.6%)
EBITDA as a percentage of revenues	72.1%	89.0%	(16.9) ppt	79.6%	87.2%	(7.6) ppt
Net income (loss)	(46.9)	147.1	n/a	67.6	242.5	(72.1%)
Traffic / Trips (in millions)	10.7	32.4	(67.0%)	34.2	59.7	(42.7%)
Average workday number of trips (in millions)	139.8	423.0	(67.0%)	226.9	394.5	(42.5%)
Vehicle kilometers travelled "VKT" (in millions)	210.9	707.0	(70.2%)	701.7	1,273.8	(44.9%)
Dividends paid by 407 ETR	0.0	250.0	(100.0%)	312.5	500.0	(37.5%)
Dividends paid to SNC-Lavalin <sup>1</sup>	0.0	41.9	(100.0%)	21.1	83.9	(74.9%)

## Decrease in Traffic (VKT) due to COVID-19 impacts

With phased reopening of Ontario and GTA, observing modest but steady improvements in traffic volume

\*Non-IFRS financial measures. Refer to 407 International Inc. Q2 2020 MD&A, which is available under 407 International Inc.'s profile on Sedar at [www.sedar.com](http://www.sedar.com), for Non-IFRS financial measures definition and reconciliation to IFRS measures.



# Net income reconciliation – 2020

	Net income (loss) attributable to SNC-Lavalin shareholders  (IFRS)	Restructuring costs	Amortization of intangible assets related to business combinations	Fair value revaluation of the Highway 407 ETR contingent consideration receivable <sup>1</sup>	Adjustment to provision for the Pyrrhotite Case Litigation <sup>2</sup>	Adjusted net income (loss) attributable to SNC-Lavalin shareholders  (Non-IFRS)
<b>Second Quarter 2020</b>						
<i>In M\$</i>						
PS&PM	(118.2)	47.3	32.7	-	-	(38.2)
Capital	6.6	-	-	-	-	6.6
	(111.6)	47.3	32.7	-	-	(31.6)
<i>Per Diluted share (\$)</i>						
PS&PM	(0.67)	0.27	0.19	-	-	(0.22)
Capital	0.04	-	-	-	-	0.04
	(0.64)	0.27	0.19	-	-	(0.18)
<b>Six months ended June 30, 2020</b>						
<i>In M\$</i>						
PS&PM	(164.2)	49.4	65.7	-	7.0	(42.1)
Capital	(13.4)	-	-	49.6	-	36.2
	(177.6)	49.4	65.7	49.6	7.0	(5.9)
<i>Per Diluted share (\$)</i>						
PS&PM	(0.94)	0.28	0.37	-	0.04	(0.24)
Capital	(0.08)	-	-	0.28	-	0.21
	(1.01)	0.28	0.37	0.28	0.04	(0.03)

Note that certain totals and subtotals may not reconcile due to rounding

\* See cautionary statement regarding Non-IFRS financial measures at slide 2. Various reconciliations of non-IFRS to the nearest corresponding IFRS measures can be found in section 4.6.4 and 9.3 of the second quarter 2020 MD&A [www.snc-lavalin.com/en/investors/financial-information/quarterly-reports](http://www.snc-lavalin.com/en/investors/financial-information/quarterly-reports)