



# Q1 CONFERENCE CALL PRESENTATION

May 9, 2023

# Forward-Looking Statements, Forward-Looking Financial Information and Outlook

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 associates, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements or associates.

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”, “forecasts”, “goal”, “intends”, “likely”, “may”, “objective”, “outlook”, “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, project- or contract-specific cost reforecasts and claims provisions, and future prospects; ii) business and management strategies and the expansion and growth of the Company’s operations; and iii) the expected additional impacts of the ongoing 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.

This presentation also provides, on Slides 19 and 20, the Company’s outlook regarding expectations of the Company’s performance with respect to certain financial metrics and measures.

Forward-looking statements, forward-looking financial information and the Management’s outlook for 2023 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 2022 Annual 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”). If these assumptions are inaccurate, the Company’s actual results could differ materially from those expressed or implied in such forward-looking statements, forward-looking financial information and outlook. 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, forward-looking financial information and outlook. These risk factors are set out in Section 14 of the Company’s 2022 Annual MD&A.

## Non-IFRS Financial Measures and Ratios, Supplementary Financial Measures and Non-Financial Information

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS financial measures and ratios, supplementary financial measures and non-financial information, are used by the Company in this presentation: Organic revenue growth (contraction), Segment Adjusted EBITDA to segment net revenue ratio, Net cash generated from (used for) operating activities on a line of business / segment basis, Segment Adjusted EBITDA, Adjusted Diluted EPS, Days Sales Outstanding (“DSO”), Net limited recourse and recourse debt to Adjusted EBITDA ratio, Net limited recourse and recourse debt, Adjusted EBITDA, Free cash flow (usage) and Free cash flow to Adjusted net income (loss) attributable to SNC-Lavalin shareholders ratio. Additional details for these non-IFRS financial measures and ratios, supplementary financial measures and non-financial information can be found below and in Sections 4, 6 and 9 of the Company’s MD&A for the first quarter of 2023, which sections are incorporated by reference into this presentation, 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.snc-lavalin.com](http://www.snc-lavalin.com) under the “Investors” section, including the various reconciliations of non-IFRS measures to the most directly comparable IFRS measures in Sections 4, 6 and 9 (which sections in the Company’s first quarter 2023 MD&A are incorporated by reference into this presentation). Non-IFRS financial measures and ratios, supplementary financial measures and non-financial information do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Such non-IFRS financial measures and ratios, supplementary financial measures and non-financial information have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. However, management believes that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS financial measures and ratios, supplementary financial measures and non-financial information 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. Furthermore, certain non-IFRS financial measures and ratios, certain additional IFRS measures and ratios, certain supplementary financial measures and other non-financial information are presented separately for PS&PM, by excluding components related to Capital, as the Company believes that such measures are useful as these PS&PM activities are usually analyzed separately by the Company.

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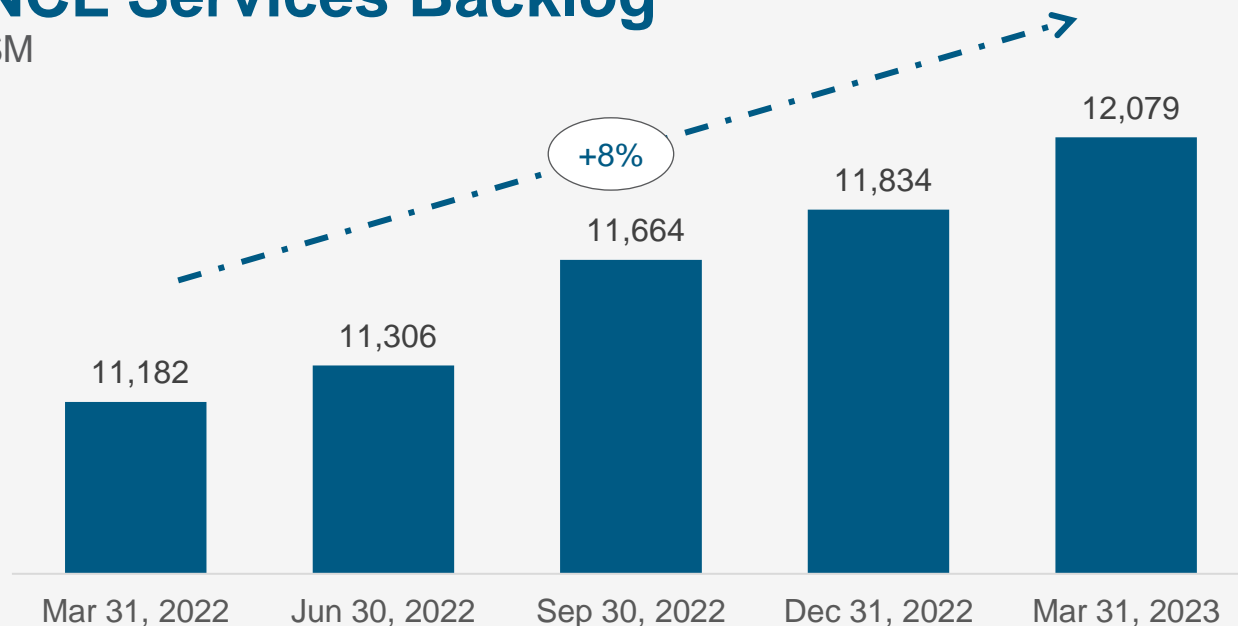
## Strong Start to the Year

- › “Pivoting to Growth” strategy continues delivering results
- › SNCL Services revenues and Segment Adjusted EBIT increased significantly year-over-year by 10.8% and 23.4%, respectively
- › SNCL Services backlog reached \$12.1B<sup>1</sup>, a new record-high
- › LSTK Projects progressing in line with expectations
- › Strong cash generated from SNCL Services offset by cash used for LSTK Projects, as anticipated



# SNCL Services Backlog

In \$M

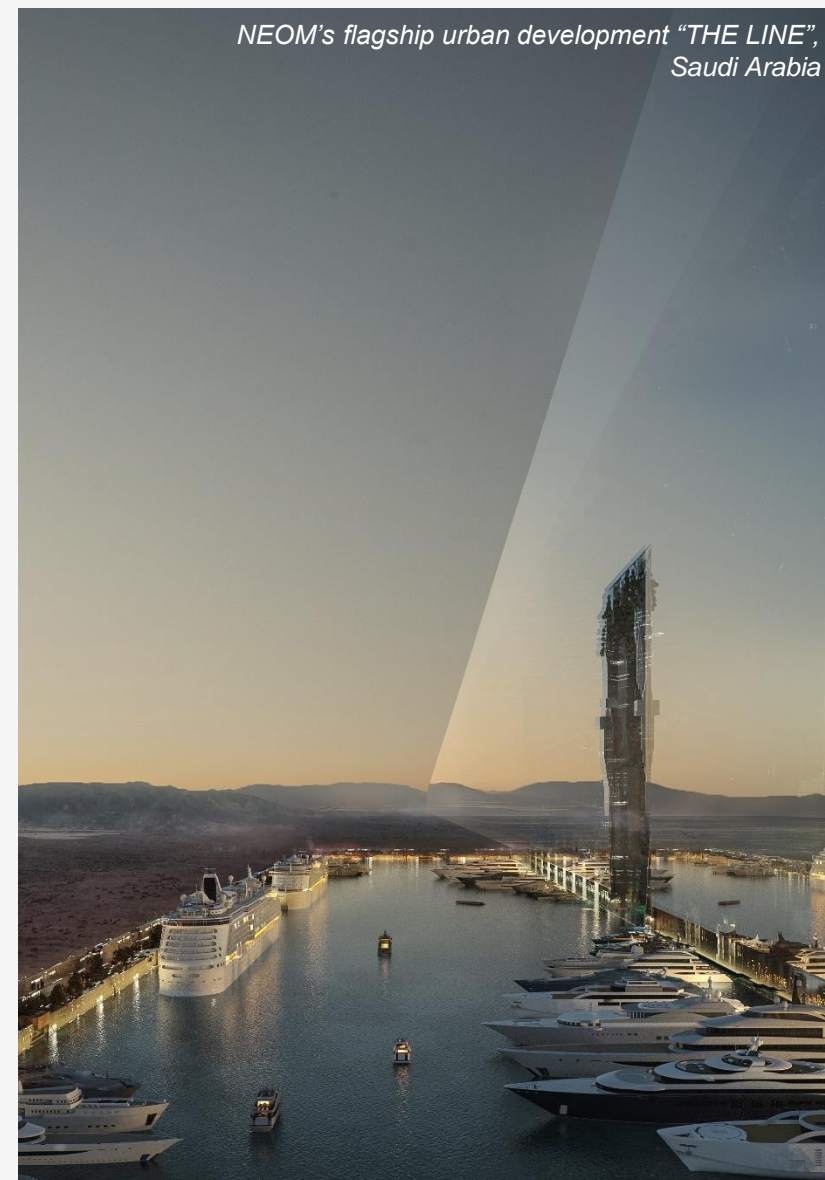


## Q1 KEY WINS

- › Delivery Partner role for THE LINE, NEOM's flagship urban development in Saudi Arabia
- › Nuclear wins include contracts to develop Canada's First SMR<sup>1</sup> for Ontario Power Generation (OPG) and to advance Romania's refurbishment of the Cernavoda Station
- › Florida contracts to design and engineer the new Shepard Broad Causeway bridge, as well as the Public Assistance Grant Management Services to aid response to Hurricane Ian
- › Delivery Partner for the City of Calgary's Green Line LRT

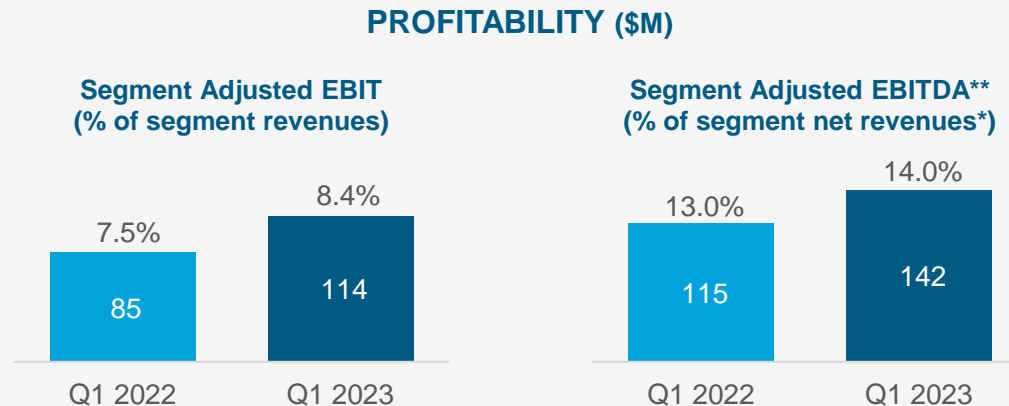
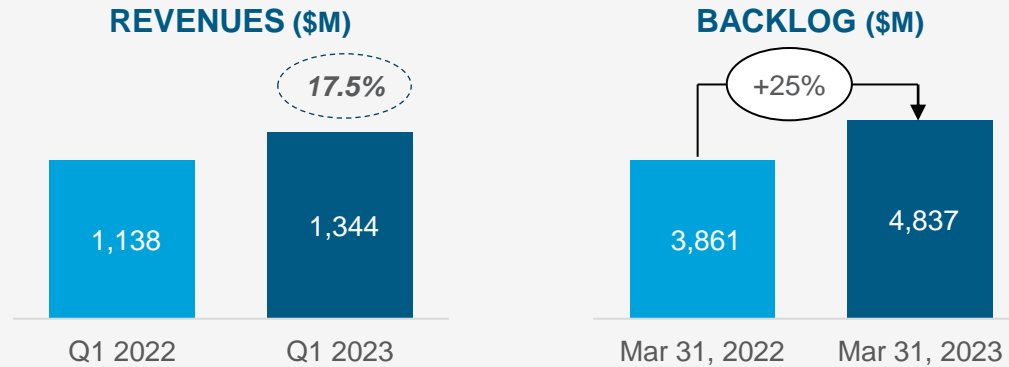


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# Engineering Services

Organic revenue growth\*



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\* Organic revenue growth and Segment Adjusted EBITDA to segment net revenue for the Engineering Services segment are non-IFRS ratios. Please refer to endnotes 1 and 2 on slide 21 of this presentation for details on these non-IFRS ratios. \*\* Segment Adjusted EBITDA is a non-IFRS financial measure. Please refer to endnote 4 on slide 21 of this presentation for details on this non-IFRS financial measure.



# Engineering Services Q1 Key Highlights



## UK & Europe

- › Well positioned to capitalize on increased government spend in the defence and energy markets
- › Strong win rate, organic revenue growth, and backlog increase
- › Key wins include program for rail upgrades in the south of England over the next 5 years, design on the Dublin Metrolink, and a new mandate to support digital and cyber transformation in the defence sector



## US

- › Market remains strong in all sectors with a noticeable increase in opportunities driven by IIJA and IRA investment. IIJA funds have started to flow down to States and project levels
- › Strong win rate, organic revenue growth and backlog increase coupled with a robust prospect pipeline
- › Key wins include Colorado Department of Transportation I70 Floyd Hill, North Texas tollway, City of Baltimore waste water facilities Consent Program and Joint Ops, and FEMA inspection services




## Canada

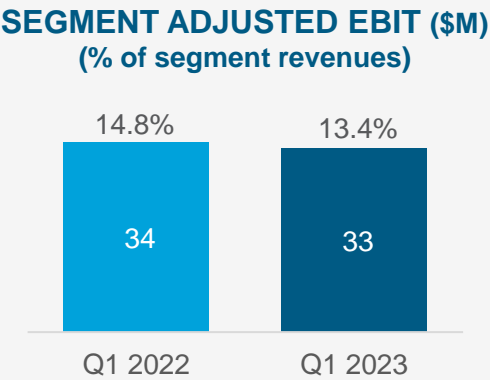
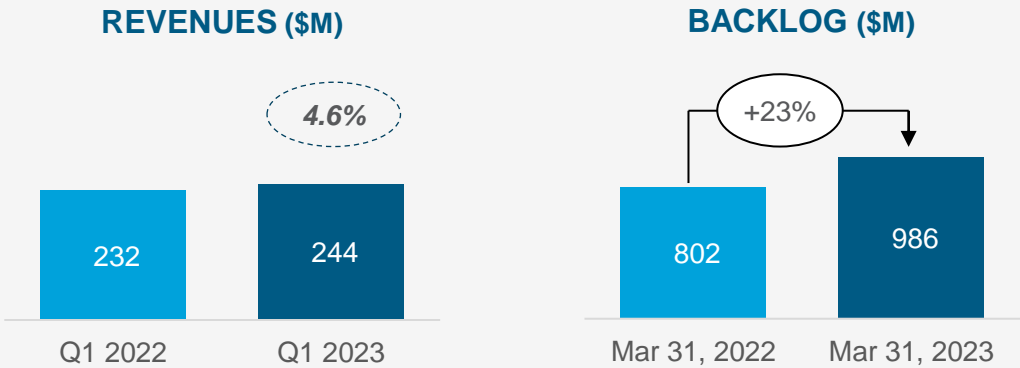
- › Increased government spending on energy transition, energy storage and mining operations as well as investment in new and upgrades to existing infrastructure creates opportunities
- › Strong win rate and growing prospect pipeline
- › Key wins in the industrial, power and EV battery markets as well as road improvements in Montreal and in the Greater Toronto and Hamilton Areas



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# Nuclear

 Organic revenue growth\*



Darlington SMR, Canada

Darlington SMR, Ontario, Canada

# Nuclear Q1 Key Highlights



Sizewell C, UK

## New Builds

- › Ongoing discussions on Romania's Cernavoda CANDU® C3 & C4 new reactors
- › Advancing on EDF Hinkley Point C project and early works for Sizewell C in UK
- › OPG Darlington New Nuclear SMR project (Canada) started in January and good progress on Rolls Royce SMR program (UK)
- › Well positioned on new SMR opportunities in the US



Cernavoda Nuclear Generating Station, Romania

## Reactor Support & Life Extension

- › Excellent progress on OPG Darlington and Bruce Power CANDU® life extension programs
- › Strong CANDU® reactor support and life extension project opportunities
- › Signature of second pre-project contract for Romanian Cernavoda life extension program
- › Continued support to EDF's PWR and AGR Fleet reactors in the UK



Barakah Nuclear Power Plant, UAE

## Waste Management & Decommissioning


- › Progressing on Sellafield (UK) and Barakah Nuclear Power Plant (UAE) projects
- › SNC-Lavalin's US subsidiary Isotek started production of medical Isotope
- › US prospects pipeline remains strong across the Department of Energy



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# O&M and Linxon

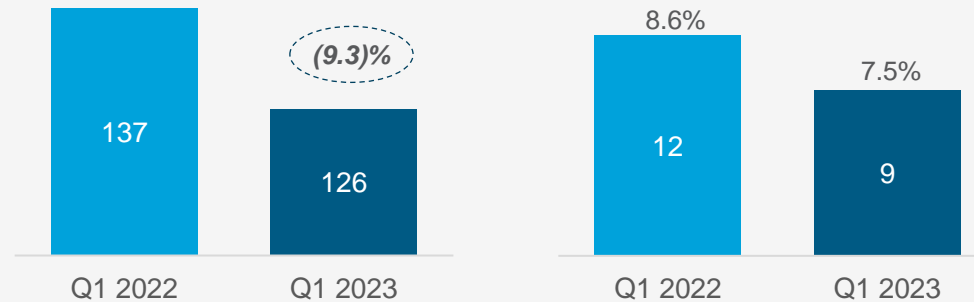
 Organic revenue contraction\*

## Revenues (\$M)

## Segment Adjusted EBIT (\$M) (% of segment revenues)

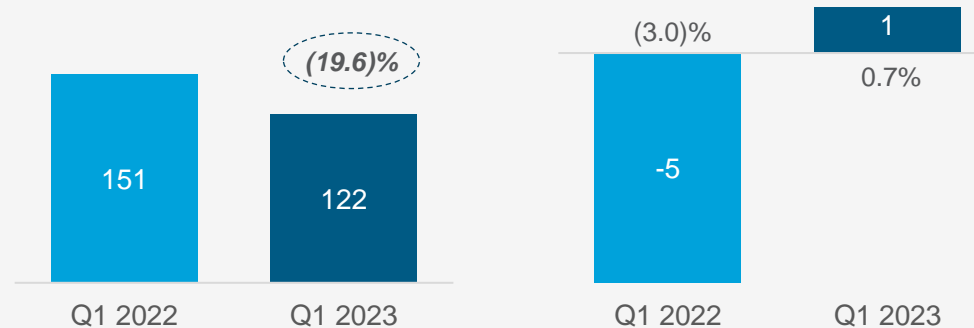
## Q1 Key Highlights

### O&M



- › Preparation well advanced in readiness for Eglinton, Trillium and REM south shore moving into operations in 2023
- › Developing opportunities to expand O&M capabilities in the UK
- › Reduction in revenues mainly due to lower additional services on existing contracts

### Linxon



- › As management's strategic review remains ongoing, focus is on operational and results improvements
- › Q1 2023 Segment Adjusted EBITDA to segment net revenue\* ratio of 1.8%
- › Backlog of \$994M as at March 31, 2023



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\*Organic revenue contraction and Segment Adjusted EBITDA to segment net revenue for the Linxon segment are non-IFRS ratios. Please refer to endnotes 1 and 2 on slide 21 of this presentation for details on these non-IFRS ratios

# LSTK Projects and Capital

	Revenues (\$M)	Segment Adjusted EBIT (\$M)	Q1 Key Highlights
LSTK Projects	<div> <div>214</div> <div>Q1 2022</div> </div> <div> <div>171</div> <div>Q1 2023</div> </div>	<div> <div>-31</div> <div>Q1 2022</div> </div> <div> <div>-9</div> <div>Q1 2023</div> </div>	<ul style="list-style-type: none"> <li>Ontario projects' commissioning and testing on track and REM progressing well</li> <li>Continuing to pursue all claims receivables</li> <li>Backlog decreased by 46% since Q1 2022 to \$518M as at March 31, 2023</li> </ul>
Capital	<div> <div>16</div> <div>Q1 2022</div> </div> <div> <div>16</div> <div>Q1 2023</div> </div>	<div> <div>12</div> <div>Q1 2022</div> </div> <div> <div>12</div> <div>Q1 2023</div> </div>	<ul style="list-style-type: none"> <li>No dividend received from Highway 407 ETR in Q1 2023 and Q1 2022</li> <li>Dividend of \$10.2M received in April 2023</li> <li>Highway 407 ETR VKT increased by 28% vs Q1 2022 but traffic levels remain below pre-pandemic</li> <li>Other assets performing well</li> </ul>

A close-up portrait of a man with dark skin and glasses, looking intently at the camera. He is holding a white pen to his temple with his right hand. The background is a dark blue gradient with faint, semi-transparent financial charts and data points. On the left side, the text "FINANCIAL PERFORMANCE" is written in a bold, white, sans-serif font. The overall mood is professional and focused.

# FINANCIAL PERFORMANCE



# Q1 Selected Financial Metrics

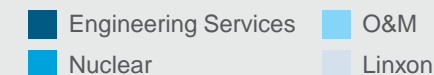
(in M\$, except otherwise indicated)	Q1 2023	Q1 2022	Change
<b>Revenues</b>			
PS&PM	2,007	1,872	7%
Capital	16	16	0%
<b>Total Revenues</b>	<b>2,023</b>	<b>1,888</b>	<b>7%</b>
<b>Segment Adjusted EBIT – Total</b>	<b>159</b>	<b>109</b>	<b>46%</b>
Corporate SG&A expenses – from PS&PM	(29)	(25)	16%
Restructuring and transformation costs	(15)	(7)	114%
Net financial expenses	(47)	(26)	81%
<b>Net income from continuing operations attributable to SNC-Lavalin shareholders</b>	<b>28</b>	<b>25</b>	<b>12%</b>
<b>Diluted EPS from continuing operations (\$)</b>	<b>0.16</b>	<b>0.14</b>	<b>14%</b>
<b>Adjusted diluted EPS from PS&amp;PM* (\$)</b>	<b>0.32</b>	<b>0.22</b>	<b>45%</b>
<b>Backlog</b>			
SNCL Services	12,079	11,182	8%
Capital	29	35	(17)%
LSTK Projects	518	957	(46)%
<b>Total backlog as at March 31</b>	<b>12,627</b>	<b>12,174</b>	<b>4%</b>



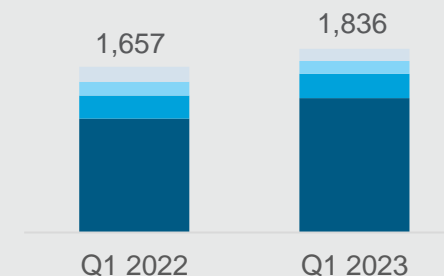
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*\*Adjusted diluted EPS from PS&PM is a non-IFRS financial ratio. Please refer to endnote 5 on slide 21 of this presentation for details on this non-IFRS financial ratio.*

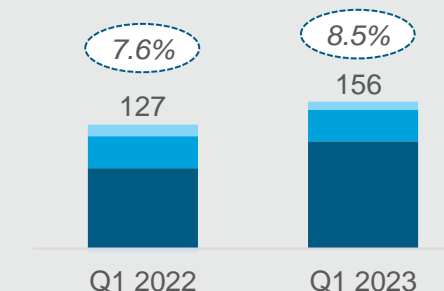
## SNCL Services



### REVENUES (\$M)



### SEGMENT ADJUSTED EBIT (\$M)



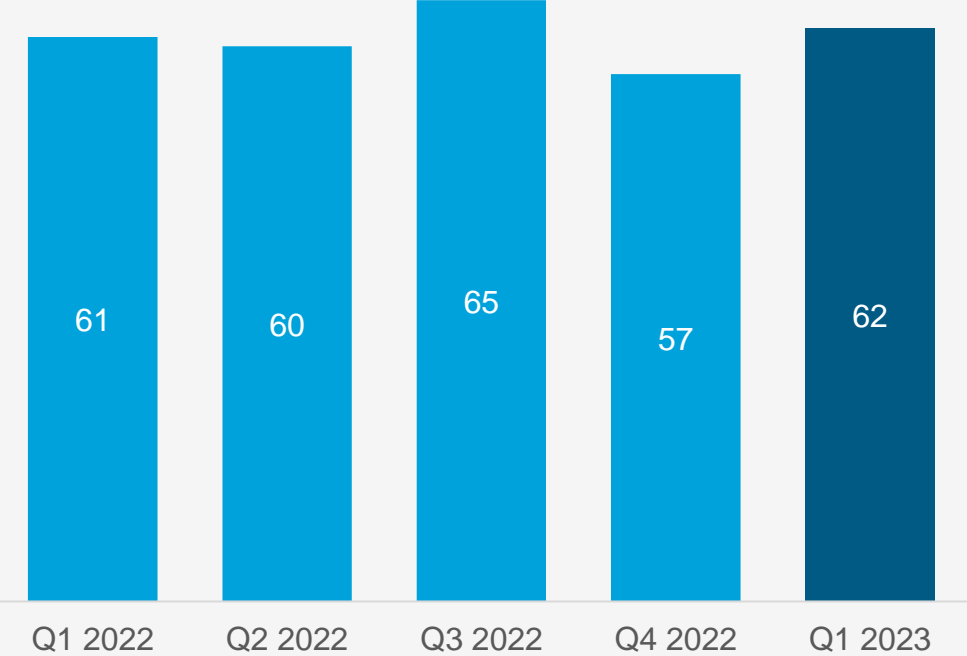
○ Segment Adj. EBIT to segment revenue ratio

# Leverage and DSO\*

## NET LIMITED RECOURSE & RECOURSE DEBT TO ADJUSTED EBITDA RATIO\*\* RECONCILIATION

(in M\$, except otherwise indicated)	March 31 2023
Limited recourse debt	400
Recourse debt	1,610
Cash and cash equivalents	(561)
<b>Net limited recourse and recourse debt***</b>	<b>1,448</b>
Adjusted EBITDA (trailing 12 months)***	496
<b>Net limited recourse and recourse debt to Adjusted EBITDA ratio**</b>	<b>2.9</b>

## DAYS SALES OUTSTANDING (DSO)\* FROM THE ENGINEERING SERVICES SEGMENT



Note that certain totals and sub-totals may not reconcile due to rounding.  
 \* DSO is a supplementary financial measure. Please refer to endnote 6 on slide 21 of this presentation for details on this supplementary financial measure. \*\* Net limited recourse and recourse debt to Adjusted EBITDA ratio is a non-IFRS ratio. Please refer to endnote 7 on slide 21 of this presentation for details on this non-IFRS ratio. \*\*\* Net limited recourse and recourse debt and Adjusted EBITDA are non-IFRS financial measures. Please refer to endnotes 8 and 9 on slide 21 of this presentation for details on these non-IFRS financial measures.

# Free Cash Flow\*

(in M\$)	Q1 2023
<b>Segment Adjusted EBITDA* from SNCL Services</b>	<b>190</b>
Change in working capital and other items from SNCL Services	(95)
<b>Net cash generated from operating activities - SNCL Services**</b>	<b>94</b>
Income taxes paid	(26)
Interest paid (from PS&PM)	(35)
Corporate costs and other items <sup>1</sup>	16
<b>Net cash used for operating activities – Capital**</b>	<b>(4)</b>
	<b>46</b>
<b>Net cash used for operating activities – LSTK Projects**</b>	<b>(103)</b>
<b>Net cash used for operating activities</b>	<b>(57)</b>
Acquisition of property and equipment	(15)
Payment of lease liabilities	(20)
<b>Free cash flow (usage)*</b>	<b>(93)</b>



**CONCLUSION**

A photograph of two people, a man and a woman, in a dimly lit office environment. They are both looking at a large computer monitor. The woman, on the right, is pointing her right index finger at the screen. The man, on the left, is wearing glasses and looking at the screen. The monitor displays a 3D CAD model of a complex mechanical assembly, possibly a watch movement, with various gears and components. The background shows shelves with books and other office equipment. The entire image has a dark blue overlay.

## Conclusion

- › Robust results in SNCL Services showcase the strength of our businesses and “Pivoting to Growth” strategy
- › LSTK Projects are progressing in line with expectations and related claim recoveries continue to be pursued
- › Focus on delivering consistent earnings and cash flow
- › Continue winning projects due to unique competitive differentiators and ability to fully service the entire lifecycle of an asset
- › Strongly positioned with a leading presence across core markets of Canada, the US and the UK
- › Strong list of prospects as government and commercial clients continue to invest in infrastructure and as the world transitions to a low carbon environment



A woman with dark hair tied back, wearing glasses and a dark blue t-shirt, is shown in profile, looking thoughtfully to the right. She has her hand resting on her chin, holding a pen. The background is a blurred office environment with computer monitors and a world map. The entire image has a dark blue overlay.

# QUESTIONS & ANSWERS



# APPENDIX



# 2023 Outlook

	2023 Target	2022 Actual
<b>SNCL Services organic revenue growth*</b>	Between 5% and 7%	6.8%
<b>SNCL Services Segment Adjusted EBIT to segment revenue ratio</b>	Between 8% and 10%	8.7%
<b>Segment Adjusted EBITDA to segment net revenue ratio* - Engineering Services</b>	Between 14% and 16%	14.6%
<b>Corporate selling, general and administrative expenses</b>		
From PS&PM	~\$100M	\$99M
From Capital	~\$30M	\$28M
<b>Amortization of intangible assets related to business combinations</b>	~\$90M	\$84M
<b>Net cash generated from (used for) operating activities</b>	First half of the year – negative Second half of the year – positive	(\$263M) \$17M
<b>Acquisition of property and equipment</b>	Between \$80M and \$100M	\$110M



# Financial Targets (2022-2024)<sup>1</sup>

	2022-2024 Target	2022 Actual
<b>SNCL Services organic revenue growth* (annually)</b>	Between 4% and 6%	6.8%
<b>SNCL Services Segment Adjusted EBIT to segment revenue ratio (annually)</b>	Between 8% and 10%	8.7%
Engineering Services	Between 8% and 10%	8.5%
Nuclear	Between 13% and 15%	16.1%
O&M	Between 5% and 7%	9.9%
Linxon	Between 4% and 6%	(1.8)%
<b>Segment Adjusted EBITDA to Segment net revenue ratio* - Engineering Services (annually)</b>	Between 14% and 16%	14.6%
<b>Free cash flow to Adjusted net income (loss) attributable to SNC-Lavalin shareholders ratio* (by end of 2024)</b>	80-90%	(213)%
<b>Net limited recourse and recourse debt to Adjusted EBITDA ratio* (by end of 2024)</b>	1.5x-2.0x	2.9x

# //// Endnotes

(See also the cautionary statement regarding non-IFRS financial measures and ratios, supplementary financial measures and non-financial information at slide 2 of this presentation.)

1. Organic revenue growth (contraction) is a non-IFRS ratio comparing organic revenue, itself a non-IFRS financial measure, between two periods and does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this ratio, as well as a calculation of this ratio, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
2. Segment Adjusted EBITDA to segment net revenue for the Engineering Services and Linxon segments are non-IFRS ratios based on Segment Adjusted EBITDA and Segment net revenue, both of which are non-IFRS financial measures, and do not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of these ratios, as well as a calculation of these ratios, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
3. Net cash generated from (used for) operating activities on a line of business / segment basis is a supplementary financial measure. Further details, including an explanation of the composition and usefulness of this supplementary financial measure are provided at Sections 6 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
4. Segment Adjusted EBITDA is a non-IFRS financial measure that does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this measure, as well as a reconciliation to the most directly comparable IFRS financial measure, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
5. Adjusted diluted EPS is a non-IFRS ratio based on adjusted net income (loss) attributable to SNC-Lavalin shareholders from continuing operations, itself a non-IFRS financial measure, and does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this ratio, as well as a calculation of this ratio, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
6. DSO is a supplementary financial measure. Further details, including an explanation of the composition and usefulness of this supplementary financial measure, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
7. Net limited recourse and recourse debt to Adjusted EBITDA ratio is a non-IFRS ratio based on net limited recourse and recourse debt at the end of a given period and Adjusted EBITDA of the corresponding trailing twelve-month period, both of which are non-IFRS financial measures, and does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this ratio, as well as a calculation of this ratio, are provided at Sections 6 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
8. Net limited recourse and recourse debt is a non-IFRS financial measure that does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including a reconciliation of this non-IFRS financial measure to the most directly comparable financial measure, are provided at Sections 6 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
9. Adjusted EBITDA is a non-IFRS financial measure that does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this measure, as well as a reconciliation to the most directly comparable IFRS financial measure, are provided at Sections 4 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
10. Free cash flow (usage) is a non-IFRS financial measure that does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this measure, as well as a reconciliation to the most directly comparable IFRS financial measure, are provided at Sections 6 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.
11. Free cash flow to Adjusted net income (loss) attributable to SNC-Lavalin shareholders is a non-IFRS ratio based on free cash flow and Adjusted net income (loss) attributable to SNC-Lavalin shareholders, both non-IFRS financial measures, and does not have a standardized definition within IFRS and therefore may not be comparable to similar measures presented by other issuers. Further details, including an explanation of the composition and usefulness of this ratio, as well as a calculation of this ratio, are provided at Sections 4, 6 and 9 of the Company's first quarter 2023 MD&A, available on SEDAR at [www.sedar.com](http://www.sedar.com), which sections are incorporated by reference into this presentation.

