



FOR IMMEDIATE RELEASE

## SNC-Lavalin reports first quarter results for 2019

- › Reported Q1 2019 IFRS net loss attributable to SNC-Lavalin shareholders of \$17.3 million (or \$0.10 per diluted share).
- › Q1 2019 adjusted consolidated net income<sup>(5)</sup> of \$36.9 million (or \$0.21 per diluted share).
- › Q1 2019 adjusted net loss from E&C<sup>(1)</sup> of \$14.9 million (or \$0.08 per diluted share).
- › The Company has accelerated its simplification and cost reduction program to increase efficiency and competitiveness, through reducing the Company's overhead cost structure by just over \$100 million in 2019 and \$250 million annually.
- › Strong backlog of \$15.8 billion at the end of March 2019, with bookings of \$3.2 billion in Q1 2019, representing a 1.4 book-to-bill ratio.
- › 2019 Outlook maintained: adjusted diluted EPS from E&C<sup>(2)</sup> in the range of \$2.00 to \$2.20 and adjusted consolidated diluted EPS<sup>(6)</sup> in the range of \$3.00 to \$3.20, with an adjusted E&C EBITDA from E&C<sup>(3)</sup> in the range of \$900 million to \$950 million.

**MONTREAL: May 2, 2019** - SNC-Lavalin Group Inc. (TSX:SNC) today announces its results for the first quarter ended March 31, 2019.

*"We remain confident that we can deliver our 2019 outlook, despite being disappointed with our first quarter performance. To address the under-performance of Q4, we simplified our structure to four reporting E&C sectors, underpinned by the new Project Oversight function, and intensified our cost reduction program. At the heart of this structure is the appointment of Ian Edwards, our new Chief Operating Officer, who has a mandate to ensure greater collaboration among our business segments and to have laser focus on excellence in execution, which we believe will allow us to deliver more predictable results and cash generation, and grow our business responsibly", said Neil Bruce, President and Chief Executive Officer, SNC-Lavalin Group Inc.*

*"We will be focusing on our core geographies and are removing unprofitable revenues across 15 countries where we have sub-scale operations. We also have combined our oil & gas and mining businesses. We also stopped bidding on lump sum EPC mining projects, as going forward we will be undertaking lump sum EPC work in Infrastructure and oil & gas only in our core regions where we have strong capabilities. At the end of March we had a strong backlog with \$3.2 billion of bookings in the quarter, as our clients continue to be very supportive of our talented employees and the work they do. Also in April we reached an agreement to sell 10.01% of the Highway 407 ETR at a very good*

*valuation, which will allow us to deleverage our balance sheet, protect our credit rating, while ensuring that our capital allocation strategy is the most accretive to long term shareholder value”, added Mr. Bruce.*

### **First Quarter Results**

- › Q1 2019 reported IFRS net loss attributable to SNC-Lavalin shareholders was \$17.3 million, or \$0.10 per diluted share, compared with a reported IFRS net income attributable to SNC-Lavalin shareholders of \$78.1 million, or \$0.44 per diluted share, for the corresponding period in 2018. Q1 2019 included amortization of intangible assets related to business combinations of \$42.8 million (after taxes), net charges related to restructuring and other of \$7.9 million (after taxes), and acquisition-related and integration costs of \$3.4 million (after taxes).
- › The segment disclosure note in the Company’s financial statements reflects the new simplified consolidated operating structure recently announced by the Company and the restated comparable numbers. The Company believes that this new organizational structure will position it for further improving project delivery, as well as driving sustainable growth and more consistent cash flow generation.
- › In addition to implementing this simplified operating structure, the Company has accelerated its simplification and cost reduction program. The objective of this program is to increase efficiency and competitiveness, through reducing the Company’s overhead cost structure by \$250 million annually. The company expects to realize just over \$100 million of such savings during the rest of 2019.
- › Adjusted net loss from E&C<sup>(1)</sup> was \$14.9 million in Q1 2019, or \$0.08 per diluted share, compared with an adjusted net income from E&C<sup>(1)</sup> of \$89.5 million, or \$0.51 per diluted share for Q1 2018, mainly due to a lower total Segment EBIT<sup>(7)</sup> and an increase in financial expenses, partially offset by a positive Corporate SG&A due in part to a lower amount of benefits, including the reversal of some corporate incentives and revision of certain estimates. On a segmented basis, the Engineering, Design and Project Management (EDPM) segment had another strong quarter and delivered a \$80.2 million Segment EBIT<sup>(7)</sup> in Q1 2019, while Nuclear and Infrastructure recorded a lower Segment EBIT<sup>(7)</sup>, compared to Q1 2018. The Resources segment recorded a negative Segment EBIT<sup>(7)</sup> totaling \$61.4 million in Q1 2019, mainly due to a net unfavorable impact from reforecasts on certain major Oil & Gas and Mining & Metallurgy projects and delay in claim settlements. The Company has taken actions to simplify its business, focus its capabilities where it excels and grow its business responsibly.
- › Adjusted net income from Capital<sup>(3)</sup> increased to \$51.8 million in Q1 2019, or \$0.29 per diluted share, compared with \$46.5 million, or \$0.26 per diluted share for the corresponding period in 2018, mainly due to an increase in dividends received from Highway 407 ETR.
- › E&C revenue for the first quarter ended March 31, 2019 totaled \$2.29 billion, compared with \$2.37 billion in the first quarter of 2018. The variance was mainly due to a decrease in the Resources segment, partially offset by an increase in the EDPM segment.

### ***Backlog and Bookings***

- › The Company's backlog increased by 17.2% to \$15.8 billion as at March 31, 2019, compared to the end of March 2018. Total bookings for Q1 2019 amounted to \$3.2 billion, representing a 1.4 book-to-bill ratio. Q1 2019 bookings included \$1.6 billion in Infrastructure (3.2 book-to-bill ratio), \$0.9 billion in EDPM (0.9 book-to-bill ratio), and \$0.5 billion in Resources (0.9 book-to-bill ratio).

### ***Agreement to sell 10.01% interest in Highway 407 ETR***

- › The Company invests in, develops, and divests of Capital investments in the ordinary course of its business. On August 2, 2018, the Company publicly announced its intention to sell a portion of its stake in Highway 407 ETR and on April 5, 2019, SNC-Lavalin announced that it has reached an agreement to sell 10.01% of the shares of 407 International Inc. ("Highway 407 ETR") to Ontario Municipal Employees Retirement System ("OMERS"). Gross proceeds from the sale could reach \$3.25 billion in aggregate, with \$3.0 billion payable at the closing date and \$250 million over a period of 10 years, conditional to certain financial thresholds related to the ongoing performance of Highway 407 ETR.
- › SNC-Lavalin has been informed that a Highway 407 ETR shareholder may exercise its right of first refusal. If a right of first refusal is properly exercised, OMERS will not be the buyer of the 10.01% shares of Highway 407 ETR, and SNC-Lavalin will owe OMERS a break fee of 2.5% of the purchase price.

### ***Financial Position and Cash Flows***

- › As of March 31, 2019, the Company had \$614.9 million of cash and cash equivalents, \$3.6 billion of recourse and limited recourse debt and \$1.6 billion in unused capacity under its \$2.6 billion committed revolving credit facility.
- › The Company's Net Recourse Debt to EBITDA ratio, in accordance with the terms of its Credit Agreement, was 3.9.
- › Operating cash flows for the first quarter of 2019 were (\$248.9) million. This was mainly due to disbursements on the Codelco project, timing of milestone payments on large Infrastructure projects such as Eglinton LRT, New Champlain Bridge, Ottawa LRT and REM and certain delays in claim settlements on some Oil & Gas projects.

### ***Quarterly Dividend***

- › The Board of Directors today declared a cash dividend of \$0.10 per share, payable on May 30, 2019, to shareholders of record on May 16, 2019. This dividend is an "eligible dividend" for income tax purposes.

## 2019 Financial Outlook

- › The Company is maintaining its previously announced 2019 outlook.

| 2019 Guidance                                    |                 |
|--|-----------------|
| Adjusted EBITDA from E&C <sup>(8)</sup>          | \$900M - \$950M |
| Adjusted diluted EPS from E&C <sup>(2)</sup>     | \$2.00 - \$2.20 |
| Adjusted consolidated diluted EPS <sup>(6)</sup> | \$3.00 - \$3.20 |
| Effective tax rate on adjusted E&C earnings      | ~20%            |
| Weighted average number of shares outstanding    | ~175.8M         |

- › The table above summarizes the Company's 2019 financial guidance targets. The Company's 2019 guidance incorporates the non-cash impact of IFRS 16, *Leases* ("IFRS 16"). Financial results for 2018 were not restated for the new accounting standard. If the Company excluded the adoption of IFRS 16, adjusted EBITDA for 2019 would have been approximately \$132 million lower, and the net financial expenses would have been \$27 million lower mainly offset by a lower EBIT for a similar amount.
- › Given the challenges faced in Q1 2019, the Company expects a very modest recovery in its adjusted diluted EPS from E&C <sup>(2)</sup> for Q2 2019 and a more significant ramp up in the second half of the year, as the Resources segment improves its performance and the Company starts to see the impact of its cost reduction program.
- › The Resources Segment EBIT <sup>(7)</sup>, which now includes the Company's Mining & Metallurgy and Oil & Gas sub-segments is expected to turn positive in 2019, as the 2018 Segment EBIT <sup>(7)</sup> was impacted by an important loss in the Mining & Metallurgy sub-segment. The Company expects a 4% to 6% Segment EBIT <sup>(7)</sup> margin for the Resources segment. The Company anticipates higher Segment EBIT <sup>(7)</sup> from its Infrastructure and Nuclear segments, compared to 2018, mainly due to their strong backlog and prospects list, while the EDPM Segment EBIT <sup>(7)</sup> should be in line with 2018.
- › The net effect of the disposal of 10.01% of the Company's Highway 407 ETR interest has not yet been reflected in the 2019 guidance. The Company intends to adjust the guidance accordingly once a transaction is concluded.
- › This outlook is based on the assumptions and methodology described in the Company's 2018 Management's Discussion and Analysis under the heading, "How We Budget and Forecast Our Results" and the "Forward-Looking Statements" section below and is subject to the risks and uncertainties summarized therein, which are more fully described in the Company's public disclosure documents.

### **Q1 2019 Results Conference Call / Webcast**

- › SNC-Lavalin will hold a conference call today at 1:30 p.m. (Eastern Time) to review results for its first quarter. A live audio webcast of the conference call and an accompanying slide presentation will be available at [investors.snclavalin.com](http://investors.snclavalin.com). The call will also be accessible by telephone, please dial toll free at 1 888 204 4368 in North America, 647 484 0478 in Toronto, 514 669 6113 in Montreal, or 080 0358 6377 in the United Kingdom. A recording of the conference call will be available on the Company's website within 24 hours following the call.

### **Annual Shareholders' Meeting / Webcast**

- › SNC-Lavalin will also hold its Annual Shareholders' Meeting today at 11:00 a.m. (Eastern Time) at the Palais des congrès, located at 1001 Place Jean-Paul-Riopelle, Montreal, Quebec, Canada. The event will be webcast live, and will be available at <https://www.icastpro.ca/esnc190502>.

### **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: Adjusted net income from E&C, Adjusted diluted EPS from E&C, Adjusted net income from Capital, Adjusted diluted EPS from Capital, Adjusted consolidated diluted EPS, EBITDA, Adjusted EBITDA from E&C and Segment EBIT. Additional details for these non-IFRS measures and additional IFRS measures can be found below and in SNC-Lavalin's MD&A, which is available in the Investors section of the Company's website at [www.snclavalin.com](http://www.snclavalin.com). 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 financial results 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.

### **About SNC-Lavalin**

*Founded in 1911, SNC-Lavalin is a global fully integrated professional services and project management company and a major player in the ownership of infrastructure. From offices around the world, SNC-Lavalin's employees think beyond engineering. Our teams provide comprehensive end-to-end project solutions – including capital investment, consulting, design, engineering, construction management, sustaining capital and operations and maintenance – to clients across the EDPM (engineering, design and project management), Infrastructure, Nuclear, Clean Power, and Resources businesses. [www.snclavalin.com](http://www.snclavalin.com)*



<sup>(1)</sup> Adjusted net income (loss) from E&C is defined as net income (loss) attributable to SNC-Lavalin shareholders from E&C, excluding charges related to restructuring, right-sizing and other, acquisition-related costs and integration costs, as well as amortization of intangible assets related to business combinations, impairment of goodwill, the net expense for the 2012 class action lawsuits settlement and related legal costs, the GMP equalization expense, the gains (losses) on disposals of E&C businesses and the impact of U.S. corporate tax reform. E&C is defined in the Company's 2018 financial statements and Management's Discussion and Analysis. The term "Adjusted net income from E&C" does not have any standardized meaning as prescribed by IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. See reconciliation below.

<sup>(2)</sup> Adjusted diluted EPS from E&C is defined as the adjusted net income (loss) from E&C divided by the diluted weighted average number of outstanding shares for the period.

<sup>(3)</sup> Adjusted net income from Capital is defined as net income attributable to SNC-Lavalin shareholders from Capital, excluding charges related to restructuring, right sizing and other, and the gains on disposals of Capital Investments.

<sup>(4)</sup> Adjusted diluted EPS from Capital is defined as the adjusted net income from Capital divided by the diluted weighted average number of outstanding shares for the period.

<sup>(5)</sup> Adjusted consolidated net income is defined as the adjusted net income (loss) from E&C plus the adjusted net income from Capital.

<sup>(6)</sup> Adjusted consolidated diluted EPS is defined as the adjusted net income (loss) from E&C plus the adjusted net income from Capital divided by the diluted weighted average number of outstanding shares for the period.

<sup>(7)</sup> Segment EBIT consists of revenues less i) direct cost of activities, ii) directly related selling, general and administrative expenses, and iii) corporate selling, general and administrative expenses that are allocated to segments. Expenses that are not allocated to the Company's segments include: certain corporate selling, general and administrative expenses that are not directly related to projects or segments, impairment loss arising from expected credit losses, gain (loss) arising on financial assets (liabilities) at fair value through profit or loss, restructuring costs, impairment of goodwill, acquisition-related costs and integration costs, amortization of intangible assets related to business combinations, the net expense for the 2012 class action lawsuits settlement and related legal costs, and the GMP equalization expense, as well as gains (losses) on disposals of E&C businesses and Capital investments. The term "Segment EBIT" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance.

<sup>(8)</sup> Adjusted EBITDA from E&C is defined herein as earnings from E&C before net financial expenses (income), income taxes, depreciation and amortization, and excludes charges related to restructuring, right-sizing and other, acquisition-related costs and integration costs, the net expense for the 2012 class action lawsuits settlement and related legal costs, the GMP equalization expense, as well as the gains (losses) on disposals of E&C businesses. The term "Adjusted EBITDA from E&C" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance.

**SNC-Lavalin Financial Summary**

| (in thousands of Canadian dollars, unless otherwise indicated)               | First Quarter     |            |
|--|-------------------|------------|
|  | 2019              | 2018       |
| <b>Revenues</b>  |                   |            |
| From E&C   | <b>2,291,016</b>  | 2,367,197  |
| From Capital   | <b>72,177</b>     | 64,197     |
|  | <b>2,363,193</b>  | 2,431,394  |
| <b>Net income (loss) attributable to SNC-Lavalin's shareholders</b>          |                   |            |
| From E&C   | <b>(67,355)</b>   | 31,541     |
| From Capital   | <b>50,050</b>     | 46,531     |
|  | <b>(17,305)</b>   | 78,072     |
| <b>Diluted EPS (\$)</b>  |                   |            |
| From E&C   | <b>(0.38)</b>     | 0.18       |
| From Capital   | <b>0.28</b>       | 0.26       |
|  | <b>(0.10)</b>     | 0.44       |
| <b>Adjusted net income (loss) attributable to SNC-Lavalin's shareholders</b> |                   |            |
| From E&C <sup>(1)</sup>  | <b>(14,913)</b>   | 89,477     |
| From Capital <sup>(3)</sup>  | <b>51,782</b>     | 46,531     |
|  | <b>36,869</b>     | 136,008    |
| <b>Adjusted diluted EPS (\$)</b>   |                   |            |
| From E&C <sup>(2)</sup>  | <b>(0.08)</b>     | 0.51       |
| From Capital <sup>(4)</sup>  | <b>0.29</b>       | 0.26       |
|  | <b>0.21</b>       | 0.77       |
| <b>Adjusted E&amp;C EBITDA<sup>*(8)</sup></b>                                | <b>79,206</b>     | 177,316    |
| <b>Adjusted E&amp;C EBITDA margin</b>  | <b>3.5%</b>       | 7.5%       |
| <b>Backlog</b>   | <b>15,840,700</b> | 13,511,800 |
| <b>Cash and cash equivalents</b>   | <b>614,850</b>    | 646,837    |
| <b>Recourse and limited recourse debt</b>                                    | <b>3,595,437</b>  | 3,018,760  |

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

*\* The Company's 2019 financial results incorporate the non-cash impact of IFRS 16, Leases ("IFRS 16"). Financial results for 2018 were not restated for the new accounting standard. If the Company excluded the adoption of IFRS 16, adjusted E&C EBITDA for 2019 would have been approximately \$33 million lower, and the net financial expenses would have been \$6 million lower mainly offset by a lower EBIT for a similar amount.*

**Reconciliation of IFRS Net Income as Reported to Adjusted Net Income**

|  | First Quarter 2019 |             |             | First Quarter 2018 |             |              |
|--|--------------------|-------------|-------------|--------------------|-------------|--------------|
|  | E&C                | Capital     | Total       | E&C                | Capital     | Total        |
| <i>(In M\$)</i>  |                    |             |             |                    |             |              |
| <b>Net Income (Loss) (IFRS)</b>                                    | (67.4)             | 50.1        | (17.3)      | 31.6               | 46.5        | 78.1         |
| Net charges related to restructuring & right-sizing plan and other | 6.2                | 1.7         | 7.9         | 1.3                | -           | 1.3          |
| Acquisition-related costs and integration costs                    | 3.4                | -           | 3.4         | 8.4                | -           | 8.4          |
| Amortization of intangible assets related to business combinations | 42.8               | -           | 42.8        | 46.8               | -           | 46.8         |
| Loss from adjustment on disposals of E&C businesses                | 0.1                | -           | 0.1         | -                  | -           | -            |
| Impact of U.S. corporate tax reform                                | -                  | -           | -           | 1.4                | -           | 1.4          |
| <b>Adjusted Net Income (Loss) (non-IFRS)</b>                       | <b>(14.9)</b>      | <b>51.8</b> | <b>36.9</b> | <b>89.5</b>        | <b>46.5</b> | <b>136.0</b> |
| <i>(in \$)</i>   |                    |             |             |                    |             |              |
| <b>Diluted EPS (IFRS)</b>  | (0.38)             | 0.28        | (0.10)      | 0.18               | 0.26        | 0.44         |
| Net charges related to restructuring & right-sizing plan and other | 0.04               | 0.01        | 0.05        | 0.01               | -           | 0.01         |
| Acquisition-related costs and integration costs                    | 0.02               | -           | 0.02        | 0.04               | -           | 0.04         |
| Amortization of intangible assets related to business combinations | 0.24               | -           | 0.24        | 0.27               | -           | 0.27         |
| Loss from adjustment on disposals of E&C businesses                | -                  | -           | -           | -                  | -           | -            |
| Impact of U.S. corporate tax reform                                | -                  | -           | -           | 0.01               | -           | 0.01         |
| <b>Adjusted Diluted EPS (non-IFRS)</b>                             | <b>(0.08)</b>      | <b>0.29</b> | <b>0.21</b> | <b>0.51</b>        | <b>0.26</b> | <b>0.77</b>  |

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

## Forward-looking Statements

Reference in this press release, 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 press release 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; and ii) business and management strategies and the expansion and growth of the Company's operations. 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.

The 2019 outlook referred to in this press release is forward-looking information and is based on the methodology described in the Company's 2018 Management's Discussion and Analysis ("MD&A") under the heading "How We Budget and Forecast Our Results" and is subject to the risks and uncertainties described in the Company's public disclosure documents. The purpose of the 2019 outlook is to provide the reader with an indication of management's expectations, at the date of this press release, regarding the Company's future financial performance and readers are cautioned that this information may not be appropriate for other purposes.

Forward-looking statements made in this press release 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 2018 MD&A, particularly in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report our Results". The 2019 outlook also assumes that the federal charges laid against the Company and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. on February 19, 2015, will not have a significant adverse impact on the Company's business in 2019. 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 risks include, but are not limited to: (a) outcome of pending and future claims and litigation; (b) on February 19, 2015, the Company was charged with one count of corruption under the Corruption of Foreign Public Officials Act (Canada) (the "CFPOA") and one count of fraud under the Criminal Code (Canada), and is also subject to other ongoing investigations which could subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant. These charges and investigations, and potential results thereof, could harm the Company's reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce its revenues and net income and adversely affect its business; (c) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations; (d) reputation of the Company; (e) fixed-price contracts or the Company's failure to meet contractual schedule or performance requirements or to execute projects efficiently; (f) contract awards and timing; (g) remaining performance obligations; (h) being a provider of services to government agencies; (i) international operations; (j) Brexit; (k) ownership interests in Capital investments; (l) dependence on third parties; (m) joint ventures and partnerships; (n) competition; (o) professional liability or liability for faulty services; (p) monetary damages and penalties in connection with professional and engineering reports and opinions; (q) insurance coverage; (r) health and safety; (s) qualified personnel; (t) work stoppages, union negotiations and other labour matters; (u) information systems and data; (v) acquisitions or other investment; (w) divestitures and the sale of significant assets; (x) liquidity and financial position; (y) indebtedness; (z) security under the SNC-Lavalin Highway Holdings Loan; (aa) dependence on subsidiaries to help repay indebtedness; (bb) dividends; (cc) post-employment benefit obligations, including pension-related obligations; (dd) working capital requirements; (ee) collection from customers; (ff) impairment of goodwill and other assets; (gg) global economic conditions; (hh) fluctuations in commodity prices; (ii) inherent limitations to the Company's control framework; and (jj) environmental laws and regulations.

The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2018 MD&A, and as updated in the first quarter 2019 MD&A.

The forward-looking statements herein reflect the Company's expectations as at the date of this press release and are subject to change after this date. The Company does not undertake to update publicly or to revise any such forward-looking statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.



**SNC • LAVALIN**

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*SNC-Lavalin's Consolidated Financial Statements and Management's Discussion and Analysis and other relevant financial materials are available in the Investors section of the Company's website at [www.snclavalin.com](http://www.snclavalin.com). These and other Company reports are also available on the website maintained by the Canadian Securities regulators at [www.sedar.com](http://www.sedar.com).*