



FOR IMMEDIATE RELEASE

SNC-Lavalin Reports Second Quarter 2021 Results

- SNCL Engineering Services revenue of \$1.5 billion, an increase of 2.4%, or 6.8% based on constant currency⁽⁹⁾, compared to Q2 2020
- SNCL Engineering Services backlog reached \$11.1 billion, an increase of 1.1% compared to June 30, 2020; LSTK construction backlog reduced by \$202.4 million from the prior quarter
- SNCL-Engineering Services Segment Adjusted EBIT⁽¹⁾ of \$145.1 million, representing a 9.6% margin, improved 63 basis points
- Segment Adjusted EBIT to segment revenue ratio⁽²⁾ of 9.1%, 14.2% and 7.9% for EDPM, Nuclear and Infrastructure Services, respectively
- Net income from continuing operations attributable to SNC-Lavalin shareholders of \$29.2 million, or \$0.17 per diluted share, compared to a net loss of \$25.3 million, or \$(0.14) in Q2 2020
- Closed the sale of a substantial portion of the Resources Oil & Gas business
- Reaffirming outlook of SNCL Engineering Services revenue for full year 2021 to increase by a low single digit percentage, reflecting current currency rates, compared to 2020, and for its Segment Adjusted EBIT to segment revenue ratio⁽²⁾ to be between 8% and 10%

MONTREAL: July 30, 2021 – SNC-Lavalin Group Inc. (TSX: SNC), a fully integrated professional services and project management company with offices around the world, today announced its results for the second quarter ended June 30, 2021.

IFRS Financial Highlights

| | Q2 2021 | Q2 2020 ^A | YTD 2021 ^B | YTD 2020 ^{A, B} |
|--|---------------|----------------------|-----------------------|--------------------------|
| Revenue | 1,797,789 | 1,659,953 | 3,617,528 | 3,528,472 |
| <u>Attributable to SNC-Lavalin Shareholders</u> | | | | |
| Net income (loss) from continuing operations: | | | | |
| From PS&PM | 26,124 | (31,894) | 87,155 | (10,905) |
| From Capital | 3,068 | 6,595 | 9,780 | (13,444) |
| Total | 29,192 | (25,299) | 96,935 | (24,349) |
| Diluted EPS from continuing operations: | | | | |
| From PS&PM (\$) | 0.15 | (0.18) | 0.50 | (0.06) |
| From Capital (\$) | 0.02 | 0.04 | 0.06 | (0.08) |
| Total (\$) | 0.17 | (0.14) | 0.55 | (0.14) |
| Net income (loss) from discontinued operations | 16,523 | (86,348) | 21,825 | (153,262) |
| Net income (loss) | 45,715 | (111,647) | 118,760 | (177,611) |
| Net cash generated from operating activities | 78,124 | 129,818 | 83,736 | 153,172 |
| Backlog from continuing operations as of June 30 | | | 13,012,100 | 13,771,000 |



Non-IFRS Financial Highlights

| | Q2 2021 | Q2 2020 ^A | YTD 2021 ^B | YTD 2020 ^{A, B} |
|---|---------|----------------------|-----------------------|--------------------------|
| Attributable to SNC-Lavalin Shareholders | | | | |
| Adjusted net income from PS&PM ⁽⁴⁾ | 53,765 | 21,680 | 137,189 | 82,754 |
| Adjusted diluted EPS from PS&PM ⁽⁵⁾ (\$) | 0.31 | 0.12 | 0.78 | 0.47 |
| Adjusted EBITDA from PS&PM ⁽³⁾ | 148,913 | 82,169 | 313,035 | 218,684 |
| Adjusted EBITDA from PS&PM to revenue from PS&PM ratio ⁽⁸⁾ | 8.4% | 5.0% | 8.8% | 6.3% |

All figures in thousands of dollars except per share data

^AComparative figures have been re-presented as a result of an operation discontinued in 2020

^BYTD includes the six months ended June 30

CEO Commentary

“We are pleased with the solid financial results for the first half of the year. SNCL Engineering Services delivered robust second quarter performance led by strong profitability within our three segments. Our LSTK projects progressed well, the related backlog continued to decrease, and discussions with our clients on compensation for the additional costs related to COVID-19 impacts have been constructive,” said Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc. “We are also pleased to have recently closed the sale of a substantial portion of our Resources Oil & Gas business, which represents an important strategic milestone for the Company. With these second quarter results and the current trends across our businesses, we remain on track to meet our 2021 outlook expectations.”

Second Quarter Results

Professional Services & Project Management are collectively referred to as “PS&PM” to distinguish them from “Capital” activities. PS&PM groups together five of the Company’s segments, namely Engineering, Design and Project Management (“EDPM”), Nuclear, Infrastructure Services, Resources and Infrastructure EPC projects, while Capital is its own reportable segment and separate from PS&PM.

The Company’s net income from continuing operations attributable to SNC-Lavalin shareholders was \$29.2 million, or \$0.17 per diluted share in Q2 2021, compared to a net loss from continuing operations attributable to SNC-Lavalin shareholders of \$25.3 million, or \$(0.14) per diluted share, for the corresponding period in 2020. This was comprised of net income from continuing operations from PS&PM of \$26.1 million, or \$0.15 per diluted share and net income from continuing operations from Capital of \$3.1 million, or \$0.02 per diluted share in Q2 2021. For the corresponding period in 2020, net loss from continuing operations was comprised of a net loss



from continuing operations from PS&PM of \$31.9 million, or \$(0.18) per diluted share and net income from continuing operations from Capital of \$6.6 million, or \$0.04 per diluted share.

Q2 2021 net income included amortization of intangible assets related to business combinations of \$20.5 million (\$17.2 million after income taxes or \$0.10 per diluted share) and restructuring and transformation costs of \$15.2 million (\$11.3 million after income taxes or \$0.06 per diluted share), while Q2 2020 included amortization of intangible assets related to business combinations of \$40.0 million (\$32.7 million after income taxes or \$0.19 per diluted share) and restructuring and transformation costs of \$23.9 million (\$20.9 million after income taxes or \$0.12 per diluted share).

Adjusted net income from PS&PM⁽⁴⁾ in Q2 2021 more than doubled and totaled \$53.8 million, or \$0.31 per diluted share, compared with \$21.7 million, or \$0.12 per diluted share, for Q2 2020. The increase was mainly due to an increase of 9.5% in Segment Adjusted EBIT⁽¹⁾ from SNCL Engineering Services and a decrease in the negative Segment Adjusted EBIT⁽¹⁾ in SNCL Projects, partially offset by a higher income taxes expense.

Lines of Business

SNCL Engineering Services

| | Q2 2021 | Q2 2020 | YTD 2021 ^A | YTD 2020 ^A |
|---|-----------|-----------|-----------------------|-----------------------|
| Revenue | 1,504,302 | 1,469,505 | 3,019,427 | 3,004,274 |
| Segment Adjusted EBIT ⁽¹⁾ | 145,126 | 132,526 | 277,916 | 244,058 |
| Segment Adjusted EBIT to segment revenue ratio ⁽²⁾ | 9.6% | 9.0% | 9.2% | 8.1% |
| Backlog as of June 30 | | | 11,102,400 | 10,982,500 |

All figures in thousands of dollars

^AYTD includes the six months ended June 30

The SNCL Engineering Services line of business (comprised of the EDPM, Nuclear and Infrastructure Services segments) continued to deliver solid results, benefitting from a diversified business model, long-term client relationships and a strong public sector focus.

Revenue from SNCL Engineering Services increased by 2.4% to \$1,504.3 million in Q2 2021, compared to the corresponding period in 2020. Based on constant currency⁽⁹⁾, revenue increased 6.8%. Segment Adjusted EBIT⁽¹⁾ totaled \$145.1 million in Q2 2021, representing a margin of 9.6%, a 63 basis points improvement, compared with Q2 2020. SNCL Engineering Services total backlog amounted to \$11.1 billion as at June 30, 2021, compared to \$11.0 billion as at June 30, 2020. Total bookings for the first six months of the year amounted to \$3.3 billion, representing a 1.08 booking-to-revenue ratio⁽⁶⁾.

EDPM revenue increased by 0.2% to \$935.3 million in Q2 2021, compared to Q2 2020. Based on constant currency⁽⁹⁾, revenue increased by 5.3% driven primarily by strong volumes in the United Kingdom. EDPM Segment Adjusted EBIT⁽¹⁾ totaled \$85.4 million, representing a margin of 9.1% in Q2 2021, a 70 basis points improvement compared to Q2 2020. The Segment Adjusted EBIT⁽¹⁾ improvement in Q2 2021 mainly reflected the continued solid performance seen across



the United Kingdom and the United States with steady productivity and the impact of settling a number of project final accounts. Backlog was strong at June 30, 2021, at \$3.0 billion, an increase of 11.7% compared to June 30, 2020. Bookings in Q2 2021 totaled \$1.1 billion, representing a 1.13 booking-to-revenue ratio⁽⁶⁾.

Nuclear revenue increased by 6.1% to \$234.7 million in Q2 2021, compared to Q2 2020. Based on constant currency⁽⁹⁾, revenue increased 9.6% driven by an increased level of activity in North America and Europe, partially offset by a decrease in Asia. Nuclear Segment Adjusted EBIT⁽¹⁾ totaled \$33.2 million in Q2 2021, representing a margin of 14.2%, a 19 basis points improvement compared to Q2 2020. Backlog totaled \$0.8 billion at June 30, 2021, a decrease of 16.7% compared to June 30, 2020. The backlog decrease over the last twelve months was mainly due to the progress on the Company's major refurbishment long-term contracts in Canada.

Infrastructure Services revenue increased by 6.3% to \$334.3 million in Q2 2021, compared to Q2 2020. Based on constant currency⁽⁹⁾, revenue increased 9.2% driven mainly by a higher volume of activities in Linxon. Infrastructure Services Segment Adjusted EBIT⁽¹⁾ totaled \$26.4 million in Q2 2021, representing a margin of 7.9%, a 65 basis point improvement compared to Q2 2020. Backlog totaled \$7.2 billion at June 30, 2021, in line with June 30, 2020. Bookings in Q2 2021 totaled \$0.3 billion, representing a 0.86 booking-to-revenue ratio⁽⁶⁾. Infrastructure Services backlog includes long-term Operations & Maintenance contracts, which can cover periods of up to 40 years.

SNCL Projects

| | Q2 2021 | Q2 2020 ^A | YTD 2021 ^B | YTD 2020 ^{A, B} |
|---|----------|----------------------|-----------------------|--------------------------|
| Revenue | 273,702 | 168,860 | 556,583 | 456,368 |
| Segment Adjusted EBIT ⁽¹⁾ | (21,276) | (91,411) | (29,469) | (89,564) |
| LSTK construction contracts backlog decrease | 202,400 | 163,400 | 443,900 | 195,500 |
| LSTK construction contracts backlog as of June 30 | | | 1,394,200 | 2,561,600 |

All figures in thousands of dollars

^AComparative figures have been re-presented as a result of an operation discontinued in 2020

^BYTD includes the six months ended June 30

Backlog for the SNCL Projects line of business (comprised of the Resources and Infrastructure EPC Projects segments) as at June 30, 2021, totaled \$1.8 billion and included \$1.4 billion of LSTK construction contracts and \$0.4 billion of reimbursable and engineering services contracts. SNCL Projects backlog for LSTK construction contracts decreased by \$202.4 million in Q2 2021, as the Company continued to execute on its LSTK projects.

SNCL Projects revenues amounted to \$273.7 million in Q2 2021, compared to \$168.9 million in Q2 2020. SNCL Projects Segment Adjusted EBIT⁽¹⁾ was negative \$21.3 million in Q2 2021, compared to a negative Segment Adjusted EBIT⁽¹⁾ of \$91.4 million in Q2 2020. The variance was mainly due to the Resources segment, which recorded a positive Segment Adjusted EBIT⁽¹⁾ of \$1.0 million in Q2 2021, compared to a negative Segment Adjusted EBIT⁽¹⁾ of \$72.4 million in Q2



2020, which included a \$70 million charge related to client disputes on a Resources LSTK project. The Infrastructure EPC Projects segment had a negative Segment Adjusted EBIT⁽¹⁾ of \$22.2 million in Q2 2021, compared to a negative Segment Adjusted EBIT⁽¹⁾ of \$19.0 million in Q2 2020. The loss in Q2 2021 was mainly due to a reduction in gross margin, including costs in closing out certain projects nearing completion and the impacts of COVID-19.

As announced earlier today, the Company has closed the sale of a substantial portion of its Resources Oil & Gas business pursuant to the previously announced binding agreement with Kentech Corporate Holding Limited dated February 9, 2021. The balance of closing, which constitutes the Saudi Arabian portion of the business, is expected to be completed by the end of Q3 2021, following the anticipated receipt of standard Saudi Arabian regulatory approval. This portion of the business represented approximately a quarter of the Resources Oil & Gas business total annual revenues.

Capital

| | Q2 2021 | Q2 2020 | YTD 2021 ^A | YTD 2020 ^A |
|--------------------------------------|---------|---------|-----------------------|-----------------------|
| Revenue | 19,785 | 21,588 | 41,518 | 67,830 |
| Segment Adjusted EBIT ⁽¹⁾ | 16,405 | 18,375 | 35,127 | 60,403 |
| Backlog as of June 30 | | | 148,700 | 166,900 |

All figures in thousands of dollars

^AYTD includes the six months ended June 30

Capital revenue and Segment Adjusted EBIT⁽¹⁾ totaled \$19.8 million and \$16.4 million, respectively, in Q2 2021, compared to \$21.6 million and \$18.4 million, respectively, in Q2 2020. The variance was mainly due to lower contributions from certain investments.

Financial Position and Operating Cash Flow

As at June 30, 2021, the Company had \$662.9 million of cash and cash equivalents. The Company also has an additional \$2.0 billion of available drawing capacity under its revolving credit facility. As at June 30, 2021, the Company had \$1.0 billion of recourse debt and \$0.4 billion of limited recourse debt and its net recourse debt to EBITDA ratio⁽⁷⁾ calculated in accordance with the terms of the Company’s Credit Agreement was 1.8, below the required covenant level of 3.75.

The Company’s net cash generated from operating activities was \$78.1 million in Q2 2021, compared to \$129.8 million in Q2 2020. Net cash generated from operating activities in SNCL Engineering Services totaled \$157 million in Q2 2021. The Company continues to anticipate that its net cash generated from operating activities in 2021 will be broadly breakeven, as positive operating cash flow from SNCL Engineering Services is expected to be largely offset by an operating cash flow usage in SNCL Projects.



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Virtual Investor Day

SNC-Lavalin will host a virtual Investor Day on Tuesday, September 28, 2021, at 8:30 a.m. Eastern Time. Ian Edwards, President and Chief Executive Officer, Jeff Bell, Executive Vice-President and Chief Financial Officer, and other members of the leadership team will provide an in-depth review of the business strategy, financial outlook, and initiatives to drive long-term stakeholder value. A live webcast of the presentation, including question and answer sessions, will be available the day of the event on the Company's [*Investor Day 2021 webpage*](#). Registration is required and can be completed in advance on the Company's Investor Day 2021 webpage. A replay of the webcast will be available on the Investor Relations webpage following the event.

SNCL Engineering Services 2021 Outlook maintained

The following statements are based on current expectations. These statements are forward-looking and the actual results could differ materially. The 2021 Outlook section should be read in conjunction with the information on forward-looking statements at the end of this release.

The Company continues to expect SNCL Engineering Services revenue for full year 2021 to increase by a low single digit percentage, reflecting current currency rates, compared to 2020, and for its Segment Adjusted EBIT to segment revenue ratio⁽²⁾ to be between 8% and 10% for the full year 2021.

This outlook is based on the assumptions and methodology described in the Company's Annual 2020 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 and in the Company's 2020 Annual Management's Discussion and Analysis.

Quarterly Dividend

The Board of Directors today declared a cash dividend of \$0.02 per share, unchanged from the previous quarter. The dividend is payable on August 27, 2021, to shareholders of record on August 13, 2021. This dividend is an "eligible dividend" for Canadian federal and provincial income tax purposes.

Second Quarter 2021 Conference Call / Webcast

SNC-Lavalin will hold a conference call today at 8:30 a.m. Eastern Time to review results for its second quarter of 2021. A live audio webcast of the conference call and an accompanying slide presentation will be available at [*www.investors.snclavalin.com*](http://www.investors.snclavalin.com). The call will also be accessible by telephone, please dial toll free at 1 800 319 4610 in North America or dial 1 604 638 5340 outside North America. You can also use the following numbers: 416 915 3239 in Toronto, 514 375 0364



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in Montreal, or 080 8101 2791 in the United Kingdom. A recording of the conference call and its transcript will be available on the Company's website within 24 hours following the call.

About SNC-Lavalin

Founded in 1911, SNC-Lavalin is a fully integrated professional services and project management company with offices around the world. SNC-Lavalin connects people, technology and data to help shape and deliver world-leading concepts and projects, while offering comprehensive innovative solutions across the asset lifecycle. Our expertise is wide-ranging — consulting & advisory, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, operations & maintenance, decommissioning and sustaining capital – and delivered to clients in four strategic sectors: EDPM (engineering, design and project management), Infrastructure, Nuclear and Resources, supported by Capital. People. Drive. Results. News and information are available at www.snclavalin.com or follow us on Twitter @SNCLavalin.



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 press release: Revenues presented on a constant currency basis, Segment Adjusted EBIT, Segment Adjusted EBIT to revenue ratio, Adjusted EBITDA, Adjusted net income (loss) attributable to SNC-Lavalin shareholders, Adjusted diluted EPS, Booking-to-revenue ratio, and Adjusted EBITDA from PS&PM to revenue from PS&PM ratio. Additional details for these non-IFRS measures can be found below or in Section 9 of SNC-Lavalin's Management's Discussion and Analysis ("MD&A") for the second quarter of 2021, filed with the securities regulatory authorities in Canada, available on SEDAR at www.sedar.com and on the Company's website at www.snclavalin.com under the "Investors" section. Certain revenue figures and changes thereto from prior periods are analyzed and presented on a constant currency basis and are obtained by translating financial results from the comparable periods of the prior year denominated in foreign currencies at the foreign exchange rates of the current periods. 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 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. Reconciliations of non-IFRS measures to the most comparable IFRS measures are set forth in Section 9.4 of the second quarter 2021 MD&A and certain of those reconciliations are set out at the end of this press release.

(1) Segment Adjusted EBIT consists of revenues allocated to the applicable segment less i) direct costs of activities, ii) directly related selling, general and administrative expenses, and iii) corporate selling, general and administrative expenses that are allocated to segments. Segment Adjusted EBIT is the measure used by management to evaluate the performance of the Company's segments, and gives investors an indication of the profitability of each segment, as it excludes certain items that the Company believes are not reflective of the segment's underlying operations. Such financial measure also facilitates period-to-period comparisons of the underlying segment's performance. Expenses that are not allocated to the Company's segments are: 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 and transformation costs, amortization of intangible assets related to business combinations, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell, net financial expenses and income taxes. It should be noted that the following adjustments were removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current periods and the previous year: acquisition-related costs and integration costs and the Federal charges settlement (PPSC) expense. See a reconciliation of total Segment Adjusted EBIT to net income (loss) in the Q2 2021 MD&A, Section 4.

(2) Segment Adjusted EBIT to segment revenue ratio is a measure used to analyze the profitability of the Company's segments and facilitate period-to-period comparisons, as well as comparison with peers. This financial measure is calculated by dividing the amount of Segment Adjusted EBIT of a given period by the amount of segment revenue for the same period. See a reconciliation of Segment Adjusted EBIT to segment revenue ratio in the Q2 2021 MD&A, Section 4.

(3) Adjusted EBITDA is a non-IFRS financial measure used by management to facilitate operating performance comparison from period to period and to prepare annual operating budgets and forecasts. Adjusted EBITDA is based on EBITDA from continuing operations



and excludes charges related to restructuring and transformation costs, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), the adjustment to provision for the Pyrrhotite Case litigation (described in Note 33 to the 2020 Annual Financial Statements, as updated in Note 12 to the Company's unaudited interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2021), the fair value revaluation of the Highway 407 ETR contingent consideration receivable, the Guaranteed Minimum Pension ("GMP") equalization expenses and the gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell. It should be noted that the following adjustments were removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current periods and the previous year: acquisition-related costs and integration costs and the Federal charges settlement (PPSC) expense. The Company believes that Adjusted EBITDA is useful for providing securities analysts, investors and others with additional information to assist them in understanding components of its financial results, including a more complete understanding of factors and trends affecting the Company's operating performance. Adjusted EBITDA is believed to supplement information provided, as it highlights trends that may not otherwise be apparent when relying solely on IFRS financial measures. Refer to the Q2 2021 MD&A, Section 9.4 for a reconciliation of Adjusted EBITDA to net income (loss) from continuing operations as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities, as the Company believes that such measures are useful since these PS&PM activities are analyzed separately by the Company.

⁽⁴⁾ Adjusted net income (loss) attributable to SNC-Lavalin shareholders is defined as net income (loss) attributable to SNC-Lavalin shareholders from continuing operations, adjusted for certain specific items that are significant but are not, based on management's judgement, reflective of the Company's underlying operations. These adjustments are restructuring and transformation costs, amortization of intangible assets related to business combinations, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), the fair value revaluation of the Highway 407 ETR contingent consideration receivable, the adjustment to provision for the Pyrrhotite Case litigation, gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell, the GMP equalization expense, as well as income taxes and non-controlling interests on these adjustments. It should be noted that the following adjustments were removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current and comparative periods: acquisition-related costs and integration costs, financing costs related to the agreement to sell shares of Highway 407 ETR and the federal charges settlement (PPSC) expense. The Company believes that Adjusted net income (loss) attributable to SNC-Lavalin shareholders is useful for providing securities analysts, investors and others with additional information to assist them in understanding components of its financial results, including a more complete understanding of factors and trends affecting the Company's operating performance. Adjusted net income (loss) attributable to SNC-Lavalin shareholders is believed to supplement information provided, as it highlights trends that may not otherwise be apparent when relying solely on IFRS financial measures. It is also used by management to evaluate the performance of the activities of the Company from period to period. Refer to the Q2 2021 MD&A, Section 9.4 for a reconciliation of Adjusted net income (loss) attributable to SNC-Lavalin shareholders to net income (loss) as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities, as the Company believes that such measures are useful since these PS&PM activities are analyzed separately by the Company.

⁽⁵⁾ Adjusted diluted earnings per share ("Adjusted diluted EPS") is defined as adjusted net income (loss) attributable to SNC-Lavalin shareholders from continuing operations, divided by the diluted weighted average number of outstanding shares for the period. Adjusted diluted EPS is a non-IFRS financial measure that is an indicator of the financial performance of the Company's activities and allows the Company to present the adjusted net income (loss) attributable to SNC-Lavalin shareholders on a diluted share basis. Refer to the Q2 2021 MD&A, Section 9.4 for a reconciliation of Adjusted diluted EPS to diluted EPS (namely, net income (loss) per diluted share) as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities, as the Company believes that such measures are useful since these PS&PM activities are usually analyzed separately by the Company.

⁽⁶⁾ Booking-to-revenue ratio corresponds to contract bookings divided by revenues, for a given period. This measure provides a useful basis for assessing the renewal of business, as it compares the value of performance obligations added in a given period to the amount of revenue recognized upon satisfying performance obligations in the same given period.

⁽⁷⁾ While net recourse debt and EBITDA are non-IFRS measures, the reference to the ratio of "net recourse debt to EBITDA" is a defined term under and calculated in accordance with the Company's Credit Agreement and is not a specific reference to the actual non-IFRS measures in question.

⁽⁸⁾ Adjusted EBITDA from PS&PM to revenue from PS&PM ratio is a measure used to analyze the profitability of the Company's PS&PM line of business and facilitate period-to-period comparisons, as well as comparison with peers. This financial measure is calculated by dividing the amount of Segment Adjusted EBITDA from PS&PM of a given period to the amount of revenue from PS&PM for the same period.

⁽⁹⁾ Revenue figures and changes from prior period are analyzed and presented on a constant currency basis and are obtained by translating revenues from the comparable period of the prior year denominated in foreign currencies at the foreign exchange rates of the current period. The Company believes that this non-IFRS financial measure is useful to compare its performance that excludes certain elements prone to volatility.

**Reconciliation of IFRS net income (loss) from continuing operations to Adjusted net income from PS&PM**

| | Second Quarter 2021 | | Second Quarter 2020 ¹ | |
|---|------------------------|--------------------------|-------------------------------------|--------------------------|
| | In M\$ | Per diluted EPS In \$ | In M\$ | Per diluted EPS In \$ |
| Net income (loss) attributable to SNC-Lavalin shareholders from continuing operations (IFRS) | 29.2 | 0.17 | (25.3) | (0.14) |
| Restructuring and transformation costs | 15.2 | | 23.9 | |
| Amortization of intangible assets related to business combinations | 20.5 | | 40.0 | |
| Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell | (0.9) | | - | |
| Income taxes and non-controlling interest on adjustments above | (7.1) | | (10.3) | |
| Total adjustments | 27.6 | 0.16 | 53.6 | 0.31 |
| Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS) | 56.8 | 0.32 | 28.3 | 0.16 |
| Segment adjusted EBIT from Capital | (16.4) | | (18.4) | |
| Corporate selling, general and administrative expenses not allocated to the segments - Capital | 7.0 | | 7.0 | |
| Net financial expenses from Capital | 4.3 | | 4.2 | |
| Income taxes from Capital on adjustments above | 2.0 | | 0.5 | |
| Total adjustments to exclude Capital | (3.1) | (0.02) | (6.6) | (0.04) |
| Adjusted net income attributable to SNC-Lavalin shareholders from PS&PM (non-IFRS) | 53.8 | 0.31 | 21.7 | 0.12 |

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

¹ *Comparative figures have been re-presented as a result of an operation discontinued in 2020*



| | Six months ended June 30, 2021 | | Six months ended June 30, 2020 ¹ | |
|---|-----------------------------------|--------------------------|--|--------------------------|
| | In M\$ | Per diluted EPS In \$ | In M\$ | Per diluted EPS In \$ |
| Net income (loss) attributable to SNC-Lavalin shareholders from continuing operations (IFRS) | 96.9 | 0.55 | (24.3) | (0.14) |
| Restructuring and transformation costs | 20.1 | | 24.4 | |
| Amortization of intangible assets related to business combination | 43.8 | | 80.4 | |
| Fair value revaluation of Highway 407 ETR contingent consideration receivable ² | - | | 57.2 | |
| Adjustment to provision for the Pyrrhotite Case litigation ³ | - | | 10.0 | |
| Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell | (1.3) | | - | |
| Income taxes and non-controlling interest on adjustments above | (12.5) | | (28.8) | |
| Total adjustments | 50.0 | 0.28 | 143.3 | 0.82 |
| Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS) | 147.0 | 0.84 | 118.9 | 0.68 |
| Segment adjusted EBIT from Capital | (35.1) | | (60.4) | |
| Corporate selling, general and administrative expenses not allocated to the segments - Capital | 14.1 | | 14.1 | |
| Net financial expenses from Capital | 8.5 | | 8.5 | |
| Income taxes from Capital on adjustments above | 2.8 | | 1.6 | |
| Total adjustments to exclude Capital | (9.8) | (0.06) | (36.2) | (0.21) |
| Adjusted net income attributable to SNC-Lavalin shareholders from PS&PM (non-IFRS) | 137.2 | 0.78 | 82.7 | 0.47 |

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

¹ Comparative figures have been re-presented as a result of an operation discontinued in 2020

² included in "Gain (loss) arising on financial assets (liabilities) at fair value through profit or loss"

³ included in "Corporate selling, general and administrative expenses"



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

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”, “outlooks”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “forecasts”, “should”, “synergies”, “target”, “vision”, “will”, “likely”, 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 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.

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 2020 Annual 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 2021 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 risks include, but are not limited to: (a) additional impacts of the COVID-19 pandemic; (b) execution of the strategic direction announced in 2019; (c) fixed-price contracts or the Company’s failure to meet contractual schedule, performance requirements or to execute projects efficiently; (d) remaining performance obligations; (e) contract awards and timing; (f) being a provider of services to government agencies; (g) international operations; (h) Nuclear liability; (i) ownership interests in investments; (j) dependence on third parties; (k) joint ventures and partnerships; (l) information systems and data and compliance with privacy legislation; (m) competition; (n) professional liability



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or liability for faulty services; (o) monetary damages and penalties in connection with professional and engineering reports and opinions; (p) insurance coverage; (q) health and safety; (r) qualified personnel; (s) work stoppages, union negotiations and other labour matters; (t) extreme weather conditions and the impact of natural or other disasters and global health crises; (u) divestitures and the sale of significant assets; (v) intellectual property; (w) liquidity and financial position; (x) indebtedness; (y) impact of operating results and level of indebtedness on financial situation; (z) security under the CDPQ Loan Agreement; (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) the impact on the Company of legal and regulatory proceedings, investigations and litigation settlements; (hh) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations; (ii) reputation of the Company; (jj) inherent limitations to the Company's control framework; (kk) environmental laws and regulations; (ll) Brexit; (mm) global economic conditions; (nn) fluctuations in commodity prices; and (oo) income taxes.

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 2020 Annual MD&A and as updated in the first and second quarter 2021 MD&A, each filed with the securities regulatory authorities in Canada, available on SEDAR at www.sedar.com and on the Company's website at www.snclavalin.com under the "Investors" section.

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.

For More Information:

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The Company's unaudited condensed consolidated interim financial statements for the three-month and six-month periods ended June 30, 2021, together with its MD&A for the corresponding period, can be accessed on the Company's website at www.snclavalin.com and on www.sedar.com.