SHAWCOR PROVIDES BUSINESS UPDATE AND ANNOUNCES DIVIDEND SUSPENSION

TORONTO, March 16, 2020 -- Shawcor Ltd. (TSX: SCL) announced today that it will be undertaking a series of measures to address the uncertainty and expected market slowdown caused by the COVID-19 pandemic and recent changes in oil and gas supply and demand that are expected to reduce capital investments by operators. These measures will include the acceleration of already planned plant closures, exiting of expected low profitability markets, selling of select businesses and assets and additional reductions to our working capital and fixed cost structure, all designed to further strengthen the Company's balance sheet. To date, already identified cost reduction opportunities should provide a 6 to 12 month payback. Initially, the target is in excess of $60 million in annualized SG&A and other cost savings and in excess of $40 million in cash generated from working capital reductions and asset sales.

In addition, the Company will suspend the regular quarterly dividend until further notice, commencing in the second quarter. The dividend declared on February 27, 2020 will be paid as planned on March 31, 2020. On an annual basis, the regular dividend was in excess of $40 million.

We expect that these actions, Shawcor's strong backlog, geographic diversity and the returns from our non-oil and gas related businesses will provide the support needed for Shawcor to continue to be an industry leader in these uncertain times and we believe they should generate sufficient cash and EBITDA[1] to allow the Company to remain within the amended banking covenants announced on February 27, 2020. An update on these actions will be provided prior to our May 13th annual meeting of shareholders.

Shawcor Ltd. is a global company serving various sectors of the Infrastructure, Energy and Transportation markets through three reporting segments: Pipeline and Pipe Services, Composite Systems and Automotive and Industrial. The Company operates through a global network of fixed and mobile manufacturing and service facilities and is valued for its integrity, technology and proven capability to execute the most complex projects in its industry.

This news release contains forward-looking information within the meaning of applicable securities laws. Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "predict", "estimate" or similar terminology are used to identify forward-looking information. This forward-looking information is based on assumptions, estimates and analysis made in the light of the Company's experience and its perception of trends, current conditions and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information and readers are cautioned not to unduly rely on forward-looking information. The forward-looking information is provided as of the date of this news release and the Company does not assume any obligation to update or revise the forward-looking information to reflect new events or circumstances, except as required by law.

[1]EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. EBITDA does not have a standardized meaning under GAAP and is not necessarily comparable to similar measures provided by other companies.

For further information

Shawcor Ltd.
Paul Pierroz
Senior Vice President, Corporate and Investor Relations
Tel: 416-744-5540
Email: paul.pierroz@shawcor.com
Website: www.shawcor.com