



SNC-Lavalin Reports Third Quarter 2020 Results

MONTREAL: October 30, 2020 – SNC-Lavalin Group Inc. (TSX: SNC) today announced its results for the third quarter ended September 30, 2020.

2020 Third Quarter Highlights

- **Net loss attributable to SNC-Lavalin shareholders of \$85.1 million, or \$(0.48) per diluted share, compared with net income of \$2,756.7 million, or \$15.70 per diluted share for Q3 2019**
 - Q3 2019 included a net gain on the disposal of a 10.01% stake of Highway 407 ETR of \$2,587.8 million, or \$14.74 per diluted share.
 - Q3 2020 had an income tax expense of \$45.1 million, which included a reduction of deferred income tax assets, while Q3 2019 included \$82.7 million income tax recoveries on capital losses, following the capital gain on disposal of a 10.01% stake in Highway 407 ETR.
- **SNCL Engineering Services delivered solid results; outlook tightened**
 - Total Segment Adjusted EBIT⁽¹⁾ of \$142.4 million, representing a 9.8% margin.
 - Segment Adjusted EBIT⁽¹⁾ margin of 9.0%, 16.1% and 7.8% for EDPM, Nuclear and Infrastructure Services, respectively.
 - Backlog remains strong at \$10.7 billion as at September 30, 2020 with Q3 2020 bookings of \$1.2 billion.
 - Outlook for Q4 2020 Segment Adjusted EBIT⁽¹⁾ margin tightened to between 8.5% and 9.5%.
- **Resources Services transformation progressing well**
 - Q3 2020 Resources Services revenues of \$267.1 million and Segment Adjusted EBIT⁽¹⁾ of negative \$14 million, slightly better than management's previously communicated expectation of between negative \$15 million to \$25 million.
 - Progress on overhead reduction and country exits remains on track.
- **SNCL Projects results affected by arbitration ruling, COVID-19**
 - Total negative Segment Adjusted EBIT⁽¹⁾ of \$100.1 million included a \$57.9 million unfavorable arbitration ruling on a LSTK legacy project and lower productivity caused by COVID-19 impacts.
 - LSTK projects backlog reduced by \$0.6 billion in the quarter to \$2.1 billion, with \$1.9 billion of Infrastructure EPC Projects backlog.
- **Financial position remains strong**
 - As at September 30, 2020, cash and cash equivalents at \$1.1 billion and net recourse debt to EBITDA ratio⁽⁷⁾ at 1.7 (calculated in accordance with Credit Agreement).

**CEO Commentary**

Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc., made the following comments:

“Our Engineering Services business continued to deliver solid results in the quarter, supported by strong performance in the transportation, defence and nuclear markets in our core regions. The transformation of our Resources Services business is on track as we move quickly to restructure and reduce overhead costs, and we look forward to additional positive EBIT from this business in 2021.”

“As expected, LSTK project productivity continued to be impacted by COVID-19, with Infrastructure EPC Projects reporting a loss in the quarter. We also had in the quarter an unfavorable arbitration ruling on a completed LSTK Resources legacy project, for which the ruling was outside our internal and external experts’ assessments. While we believe our current litigation risk assessment processes are appropriate, we are undertaking a further review of the remaining LSTK legacy litigation matters to provide additional assurance. Despite the productivity challenges related to COVID-19, the LSTK backlog continued to reduce and we expect to largely complete the Resources LSTK projects by the end of the year.”

Third Quarter Financial Highlights

(in thousands of dollars, unless otherwise indicated)	Third Quarter	
	2020	2019
Total revenue	2,005,732	2,432,163
Net income (loss) attributable to SNC-Lavalin shareholders	(85,125)	2,756,714
Diluted EPS (\$)	(0.48)	15.70
SNCL Engineering Services		
Revenue	1,447,727	1,501,937
Segment Adjusted EBIT ⁽¹⁾	142,356	175,742
Segment Adjusted EBIT to revenue ratio ⁽²⁾ (%)	9.8%	11.7%
Backlog	10,699,700	11,233,300
SNCL Projects		
Revenue	519,111	850,622
Segment Adjusted EBIT ⁽¹⁾	(100,122)	(44,971)
Segment Adjusted EBIT to revenue ratio ⁽²⁾ (%)	(19.3%)	(5.3%)
Backlog	3,091,900	4,216,700
Capital		
Revenue	38,894	79,604
Segment Adjusted EBIT ⁽¹⁾	37,094	77,137
Backlog	162,000	182,800
Net cash used for operating activities	(136,293)	(51,063)
Adjusted EBITDA from PS&PM ⁽³⁾	72,763	184,892
Adjusted diluted EPS ⁽⁵⁾ from PS&PM (\$)	(0.33)	0.94



Third Quarter Results

The Company reported a net loss attributable to SNC-Lavalin shareholders of \$85.1 million, or \$(0.48) per diluted share in Q3 2020, compared with a net income of \$2,756.7 million, or \$15.70 per diluted share, for the corresponding period in 2019, which included a net gain on the disposal of a 10.01% stake of Highway 407 ETR of \$2,587.8 million, or \$14.74 per diluted share. Q3 2020 net loss included restructuring costs of \$25.8 million (after taxes), mainly related to the Resources Services transformation announced on July 31, 2020.

Adjusted net loss⁽⁴⁾ from PS&PM in Q3 2020 amounted to \$58.4 million, or \$(0.33) per diluted share, compared with Adjusted net income⁽⁴⁾ from PS&PM of \$165.3 million, or \$0.94 per diluted share, for the corresponding period in 2019. The variation was mainly due to a negative variation in income taxes, lower total Segment Adjusted EBIT⁽¹⁾ from PS&PM, partially offset by lower net financial expenses. The Q3 2020 income tax expense included a \$53.3 million reduction of deferred income tax assets resulting from a re-assessment of the future recoverability of loss carryforwards in the United States, while Q3 2019 included \$82.7 million income tax recoveries on capital losses, following the capital gain on disposal of a 10.01% stake in Highway 407 ETR.

Lines of Business

SNCL Engineering Services

The SNCL Engineering Services line of business (comprised of the EDPM, Nuclear and Infrastructure Services segments) delivered solid results, underpinned by a diversified business model, long-term client relationships and a strong public sector focus. Many services provided by SNCL Engineering Services are deemed essential and are characterized by long-term contracts, particularly in the Nuclear and Infrastructure Services segments. Revenue from SNCL Engineering Services totaled \$1,447.7 million in Q3 2020, a 3.6% decrease from the corresponding period in 2019, while Segment Adjusted EBIT⁽¹⁾ totaled \$142.4 million, compared to \$175.7 million in Q3 2019.

EDPM Segment Adjusted EBIT⁽¹⁾ totaled \$81.1 million, representing a margin of 9.0%, in Q3 2020, compared to \$102.6 million, representing a margin of 10.6%, in Q3 2019, which included some positive project settlements. The strength in a number of sectors, including transportation and defence within the core region of the UK & Europe region, partially offset the adverse impact of COVID-19 in some markets (aviation and commercial property) and in the Middle East, that has also suffered from reduced investment associated with the fall in the oil price. Backlog continues to be strong at \$2.8 billion, with \$943 million of bookings in the quarter, representing a 1.05 booking-to-revenue ratio⁽⁶⁾ for Q3 2020.

Nuclear Segment Adjusted EBIT⁽¹⁾ totaled \$36.2 million in Q3 2020, compared to \$39.5 million in Q3 2019. While Q3 2020 revenues were 5.5% higher than Q3 2019, restricted work site access in the US due to COVID-19 reduced performance milestone bonuses, impacting profitability. The



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segment continues to be awarded significant long-term contracts, such as a US federal nuclear assets remediation and decommissioning project in the USA, and backlog continues to be strong at \$1.0 billion.

Infrastructure Services Segments Adjusted EBIT⁽¹⁾ totaled \$25.1 million in Q3 2020, compared to \$33.6 million in Q3 2019, which included favorable reforecasts on certain long-term contracts. Revenues were 1.6% higher than Q3 2019, mainly due to an increase in Linxon's revenue in the UK & Europe region. Backlog remains strong at \$7.0 billion, which includes long-term Operations & Maintenance contracts, which can cover a period up to 40 years.

SNCL Engineering Services total backlog amounted to \$10.7 billion as at September 30, 2020, compared to \$11.1 billion at the end of 2019. Total bookings for Q3 2020 amounted to \$1.2 billion despite the current COVID-19 environment.

SNCL Projects

In line with the Company's previous decision to exit LSTK projects, revenue from the SNCL Projects line of business (comprised of the Resources and Infrastructure EPC Projects segments), continued to decrease and totaled \$519.1 million in Q3 2020, a decrease of 39.0% compared to Q3 2019. This was mainly due to the continuing backlog run-off of Resources and Canadian light rail transit LSTK construction projects, as well as the divestment or closure of certain Resources businesses, including Valerus in Q1 2020.

Resources Segment Adjusted EBIT⁽¹⁾ was negative \$75.0 million in Q3 2020, compared to a Segment Adjusted EBIT⁽¹⁾ of negative \$47.3 million in Q3 2019. The Resources LSTK business recorded a loss of \$61 million, mainly due to a \$57.9 million provision, following an unfavorable arbitration ruling on a completed LSTK legacy project, for which the ruling was outside the Company's internal and external experts' assessments. While the Company is currently reviewing the ruling, management has provisioned the entire amount of the decision in the quarter and will undertake a further review of the remaining LSTK legacy litigation matters. The Resources Services business, which is currently being transformed to complement Engineering Services, recorded a loss of \$14 million, slightly better than management's expectations, as non-primary operations wound down.

Infrastructure EPC Projects Segment Adjusted EBIT⁽¹⁾ was negative \$25.1 million in Q3 2020, compared to Segment Adjusted EBIT⁽¹⁾ of \$2.3 million in Q3 2019, mainly due to lower productivity due to revised working conditions caused by COVID-19 and cost reforecasts.

SNCL Projects backlog continues to decrease and totaled \$3.1 billion as at September 30, 2020, compared to \$3.4 billion as at June 30, 2020 and \$4.0 billion as at December 31, 2019. SNCL Projects backlog at the end of September 30, 2020 included \$2.1 billion of LSTK construction contracts, split between Infrastructure EPC Projects with \$1.9 billion and Resources with \$0.2 billion, and \$1.0 billion of reimbursable & engineering services contracts. The reimbursable & engineering services contracts backlog balance as at September 30, 2020 includes the reclassification of an Infrastructure LSTK project which has been de-risked during the quarter,



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following changes in the contract profile. The Resources LSTK construction contracts backlog remains on track to be largely completed by the end of 2020.

Capital

Capital Segment Adjusted EBIT⁽¹⁾ totaled \$37.1 million in Q3 2020, compared to \$77.1 million in Q3 2019, due to lower dividends received from a reduced stake in Highway 407 ETR. SNC-Lavalin received a dividend of \$16.9 million from Highway 407 ETR on September 3, 2020. Despite a reduction in traffic volumes since mid-March, mainly due to the impact of COVID-19, SNC-Lavalin's management continues to strongly believe in the long-term value of the Highway 407 ETR concession. Excluding Highway 407 ETR, the other concessions, which are primarily availability-based contracts, continued to perform well during the third quarter of 2020 and were not significantly impacted by the COVID-19 pandemic.

Resources Services Transformation Update

SNC-Lavalin continues to progress its previously announced Resources Services business transformation that will complement the Company's broader engineering services capabilities. As previously announced, the Resources Services business is expected to be profitable for full year 2021 (assuming and giving effect to the transformation plan for the Resources Services business announced on July 31, 2020), reaching break even on a Segmented Adjusted EBIT⁽¹⁾ basis in first half of 2021.

Overhead cost reduced by 40%, in the first nine months of 2020 compared to the first nine months of 2019, progressing on its target of a 75% reduction by end of 2021. Headcount was reduced to 10,100 employees at the end of Q3 2020, compared to 15,000 employees at the end of 2019, mainly reflecting the orderly business transformation and the divestment of the European Fertilizer business, as well as a decrease in labor employees related to completed projects. The previously announced disposal of the South African Resources business remains on track to be completed in Q4 2020.

As a result, the Company has recorded \$58.1 million of restructuring costs in the first nine months of 2020, in line with management's expectations of between \$50 million and \$60 million in 2020.

Cash Flow

The Company's net cash used for operating activities was \$136.3 million in Q3 2020, compared to \$51.1 million in Q3 2019. The variance was mainly due to a timing difference between the \$200 million payment for the Pyrrhotite Case, following a Quebec Superior Court ruling, and the expected future receipt of insurance coverage proceeds in Q4 2020, which cover a substantial portion of the award and are in line with existing financial provisions. This was partially offset by another strong quarter from SNCL Engineering Services, which generated \$186 million of cash



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from operating activities, and by cash received under certain governments COVID-19 support programs.

Financial Position

As at September 30, 2020, the Company had \$1.1 billion of cash and cash equivalents. The Company also has an additional \$2.0 billion available under its revolving credit facility should it be required. The Company has \$1.4 billion of recourse debt and \$0.4 billion of limited recourse debt. As at September 30, 2020, the net recourse debt to EBITDA ratio⁽⁷⁾ calculated in accordance with the terms of the Company's Credit Agreement was 1.7, well below the required covenant level of 3.75.

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 November 27, 2020 to shareholders of record on November 13, 2020. This dividend is an "eligible dividend" for Canadian federal and provincial income tax purposes.

2020 Outlook

The Company expects, assuming no significant deviation from the current COVID-19 worldwide situation, that SNCL Engineering Services revenue for Q4 2020 should decrease by a low to mid single digit percentage, compared to Q4 2019, and has tightened the outlook for its Segment Adjusted EBIT⁽¹⁾ as a percentage of revenue to between 8.5% and 9.5% for the same period.

This outlook is based on the assumptions and methodology described in the Company's third quarter 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 2019 Annual Management's Discussion and Analysis, which are more fully described in the Company's public disclosure documents.

Conference Call / Webcast

SNC-Lavalin will hold a conference call today at 8:30 a.m. EDT to review results for its third quarter of 2020. A live audio webcast of the conference call and an accompanying slide presentation will be available at 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 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.



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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. www.snclavalin.com



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: Segment Adjusted EBIT, Segment Adjusted EBIT to revenue ratio, Adjusted EBITDA, Adjusted net income (loss) attributable to SNC-Lavalin shareholders, Adjusted diluted EPS, and Booking-to-revenue ratio. Additional details for these non-IFRS measures can be found below and in section 9 of SNC-Lavalin's Management's Discussion and Analysis ("MD&A") for the third quarter of 2020, 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. 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 each PS&PM and Capital, as the Company believes that such measures are useful as these activities are usually analyzed separately by the Company. Reconciliations of non-IFRS measures to the most comparable IFRS measures are set forth in Section 9.3 of the third quarter 2020 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 costs, impairment of goodwill, impairment of intangible assets related to business combinations, acquisition-related costs and integration costs, amortization of intangible assets related to business combinations, the federal charges settlement (PPSC) expense and gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), net financial expenses and income taxes. Also, it should be noted that the following adjustment was 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: the net expense for the 2012 class action lawsuit settlement and related legal costs. See reconciliation of Segment Adjusted EBIT to net income (loss) in Q3, 2020 MD&A, Section 4. A reconciliation of Segment Adjusted EBIT from PS&PM and from Capital to net income (loss) as determined under IFRS is presented in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2020.*

⁽²⁾ *Segment Adjusted EBIT to 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 to the amount of revenue for the same period.*

⁽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 excludes charges related to restructuring costs, acquisition-related costs and integration 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 the 2019 Annual MD&A, as updated in Note 12 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2020), the Federal charges settlement (PPSC) expense and the fair value*



revaluation of the Highway 407 ETR contingent consideration receivable. It should be noted that, in 2020, management has added as components to Adjusted EBITDA the amounts of the fair value revaluation of the Highway 407 ETR contingent consideration receivable and the adjustment to provision for the Pyrrhotite Case litigation as it believes that such items are not reflective of the Company's underlying operations. Such additions did not result in any change to comparative figures as there was no adjustment of this nature in the comparative periods being presented. Also, 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: the net expense for the 2012 class action lawsuit settlement and related legal costs and the GMP equalization expense. The Company believes that Adjusted EBITDA is useful for providing securities analysts, investors and other parties 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 Q3 MD&A, Section 9.3 for a reconciliation of Adjusted EBITDA to net income (loss) as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for each of PS&PM and Capital, as the Company believes that such measures are useful since these 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, 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 costs, acquisition-related costs and integration costs, amortization of intangible assets related to business combinations, impairment of intangible assets related to business combinations and impairment of goodwill, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), financing costs related to the agreement to sell shares of Highway 407 ETR, the fair value revaluation of the Highway 407 ETR contingent consideration receivable, the federal charges settlement (PPSC) expense and the adjustment to provision for the Pyrrhotite Case litigation. It should be noted that, in 2020, management has added as components of Adjusted net income (loss) attributable to SNC-Lavalin shareholders the amounts of the fair value revaluation of Highway 407 ETR contingent consideration receivable and the adjustment to provision for the Pyrrhotite Case litigation as it believes that such items are not reflective of the Company's underlying operations. Such additions did not result in any change to comparative figures as there was no adjustment of this nature in the comparative periods being presented. Also, 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: the net expense for the 2012 class action lawsuit settlement and related legal costs, the GMP equalization expense and the impact of U.S. corporate tax reform. The Company believes that Adjusted net income (loss) attributable to SNC-Lavalin shareholders is useful for providing securities analysts, investors and other parties 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 Q3 MD&A, Section 9.3 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 each of PS&PM and Capital, as the Company believes that such measures are useful since these 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, 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 to present the adjusted net income (loss) attributable to SNC-Lavalin shareholders on a diluted share basis. Refer to Q3, 2020 MD&A, Section 9.3 for the 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 each of PS&PM and Capital, as the Company believes that such measures are useful since these activities are also analyzed separately by the Company.

⁽⁶⁾ Booking-to-revenue ratio corresponds to contract bookings divided by the 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.

SNC-Lavalin Financial Summary

	Third Quarter		Nine months ended September 30	
	2020	2019	2020	2019
<i>(in thousands of dollars, unless otherwise indicated)</i>				
Revenues				
SNCL Engineering Services	1,447,727	1,501,937	4,452,001	4,443,700
SNCL Projects	519,111	850,622	1,629,230	2,409,306
Capital	38,894	79,604	106,724	226,527
	2,005,732	2,432,163	6,187,955	7,079,533
Net income (loss) attributable to SNC-Lavalin shareholders				
From PS&PM	(110,631)	116,910	(274,798)	(2,134,217)
From Capital	25,506	2,639,804	12,062	2,755,306
	(85,125)	2,756,714	(262,736)	621,089
Diluted EPS (\$)				
From PS&PM	(0.63)	0.67	(1.57)	(12.16)
From Capital	0.15	15.04	0.07	15.69
	(0.48)	15.70	(1.50)	3.54
Adjusted net income (loss) attributable to SNC-Lavalin shareholders⁽⁴⁾				
From PS&PM	(58,362)	165,322	(100,474)	(149,392)
From Capital	25,507	52,723	61,689	170,113
	(32,855)	218,045	(38,785)	20,721
Adjusted diluted EPS⁽⁵⁾ (\$)				
From PS&PM	(0.33)	0.94	(0.57)	(0.85)
From Capital	0.15	0.30	0.35	0.97
	(0.19)	1.24	(0.22)	0.12
Adjusted EBITDA from PS&PM⁽³⁾	72,763	184,892	197,335	112,315
Backlog				
SNCL Engineering Services			10,699,700	11,233,300
SNCL Projects			3,091,900	4,216,700
Capital			162,000	182,800
			13,953,500	15,632,700
Cash and cash equivalents			1,127,137	938,911
Recourse and limited recourse debt			1,830,553	1,572,352

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

**Reconciliation of IFRS Net Income (loss) as Reported to Adjusted Net Income (loss)**

	Third Quarter 2020			Nine months ended September 30, 2020		
	PS&PM	Capital	Total	PS&PM	Capital	Total
<i>(in M\$)</i>						
Net income (loss) attributable to SNC-Lavalin shareholders (IFRS)	(110.6)	25.5	(85.1)	(274.8)	12.1	(262.7)
Amortization of intangible assets related to business combinations	18.9	-	18.9	84.6	-	84.6
Restructuring costs	25.8	-	25.8	75.2	-	75.2
Fair value revaluation of Highway 407 ETR contingent consideration receivable ¹	-	-	-	-	49.6	49.6
Adjustment to provision for the Pyrrhotite Case litigation ²	-	-	-	7.0	-	7.0
Loss from disposals of PS&PM businesses	7.5	-	7.5	7.5	-	7.5
Adjusted net income (loss) attributable to SNC-Lavalin shareholders (non-IFRS)	(58.4)	25.5	(32.9)	(100.5)	61.7	(38.8)
<i>(in \$)</i>						
Diluted EPS (IFRS)	(0.63)	0.15	(0.48)	(1.57)	0.07	(1.50)
Amortization of intangible assets related to business combinations	0.11	-	0.11	0.48	-	0.48
Restructuring costs	0.15	-	0.15	0.43	-	0.43
Fair value revaluation of Highway 407 ETR contingent consideration receivable	-	-	-	-	0.28	0.28
Adjustment to provision for the Pyrrhotite Case litigation	-	-	-	0.04	-	0.04
Loss from disposals of PS&PM businesses	0.04	-	0.04	0.04	-	0.04
Adjusted Diluted EPS (non-IFRS)	(0.33)	0.15	(0.19)	(0.57)	0.35	(0.22)

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

¹ included in "Gain (loss) arising on financial assets (liabilities) at fair value through profit or loss"

² included in "Corporate selling, general and administrative expenses"



	Third Quarter 2019			Nine months ended September 30, 2019		
	PS&PM	Capital	Total	PS&PM	Capital	Total
<i>(in M\$)</i>						
Net income (loss) attributable to SNC-Lavalin shareholders (IFRS)	116.9	2,639.8	2,756.7	(2,134.2)	2,755.3	621.1
Impairment of goodwill	-	-	-	1,720.9	-	1,720.9
Impairment of intangible assets related to business combinations	-	-	-	60.1	-	60.1
Amortization of intangible assets related to business combinations	32.8	-	32.8	116.0	-	116.0
Restructuring costs	15.2	0.7	15.9	54.4	2.5	56.9
Financing costs related to the agreement to sell shares of Highway 407 ETR	-	-	-	27.4	-	27.4
Acquisition-related costs and integration costs	0.4	-	0.4	5.9	-	5.9
Loss from adjustment on disposals of PS&PM businesses	-	-	-	0.2	-	0.2
Gain on disposal of a Capital investment	-	(2,587.8)	(2,587.8)	-	(2,587.8)	(2,587.8)
Adjusted net income (loss) attributable to SNC-Lavalin shareholders (non-IFRS)	165.3	52.7	218.0	(149.4)	170.1	20.7
<i>(in \$)</i>						
Diluted EPS (IFRS)	0.67	15.04	15.70	(12.16)	15.69	3.54
Impairment of goodwill	-	-	-	9.80	-	9.80
Impairment of intangible assets related to business combinations	-	-	-	0.34	-	0.34
Amortization of intangible assets related to business combinations	0.19	-	0.19	0.66	-	0.66
Restructuring costs	0.09	0.00	0.09	0.31	0.01	0.32
Financing costs related to the agreement to sell shares of Highway 407 ETR	-	-	-	0.16	-	0.16
Acquisition-related costs and integration costs	0.00	-	0.00	0.03	-	0.03
Loss from adjustment on disposals of PS&PM businesses	-	-	-	0.00	-	0.00
Gain on disposal of a Capital investment	-	(14.74)	(14.74)	-	(14.74)	(14.74)
Adjusted Diluted EPS (non-IFRS)	0.94	0.30	1.24	(0.85)	0.97	0.12

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



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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”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “should”, “synergies”, “target”, “vision”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; ii) business and management strategies and the expansion and growth of the Company’s operations; and iii) the expected impacts of the ongoing COVID-19 pandemic on the business and its operating and reportable segments as well as elements of uncertainty related thereto and other near-term risks and uncertainties. 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 2019 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, second and third quarter 2020 MD&A. If these assumptions are inaccurate, the Company’s actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company’s assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to: (a) impacts of the COVID-19 pandemic and other near-term risks and uncertainties; (b) results of the new 2019 strategic direction coupled with a corporate reorganization; (c) fixed-price contracts or the Company’s failure to meet contractual schedule, performance requirements or to execute projects efficiently; (d) contract awards and timing; (e) remaining performance obligations; (f) being a provider of services to government agencies; (g) international operations; (h) Nuclear liability; (i) ownership interests in Capital investments; (j) dependence on third parties; (k) joint ventures and partnerships; (l) information systems and data;



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(m) competition; (n) professional liability 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) intellectual property; (v) divestitures and the sale of significant assets; (w) impact of operating results and level of indebtedness on financial situation; (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) outcome of pending and future claims and litigations; (hh) ongoing and potential investigations; (ii) settlements; (jj) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations; (kk) reputation of the Company; (ll) inherent limitations to the Company's control framework; (mm) environmental laws and regulations; (nn) Brexit; (oo) global economic conditions; and (pp) fluctuations and volatility in commodity prices.

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 2019 annual MD&A and as updated in the first, second and third quarter 2020 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.

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The Company's unaudited condensed consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2020, 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.