



FOR IMMEDIATE RELEASE

## SNC-Lavalin Reports Third Quarter 2021 Results

- SNCL Engineering Services revenue of \$1.5 billion, an organic growth of 2.2%, or 4.2% based on constant currency<sup>(1)</sup>, compared to Q3 2020
- SNCL-Engineering Services Segment Adjusted EBIT<sup>(2)</sup> of \$145.0 million, representing a 9.8% margin, in line with Q3 2020
- Segment Adjusted EBIT to segment revenue ratio<sup>(3)</sup> of 9.4%, 16.3% and 6.6% for EDPM, Nuclear and Infrastructure Services, respectively
- Net income from continuing operations attributable to SNC-Lavalin shareholders of \$18.6 million, or \$0.11 per diluted share, compared to a net loss of \$8.8 million, or \$(0.05) in Q3 2020
- Net income from discontinued operations of \$582.1 million, which include a gain on disposal of the Oil & Gas business of \$577.8 million, mainly due to the reclassification to net income of the cumulative exchange differences on translating foreign operations upon disposal of such operations
- SNCL Engineering Services backlog reached \$11.1 billion, an increase of 3.7% compared to September 30, 2020; LSTK construction backlog reduced by \$235.8 million from the prior quarter
- Reaffirming outlook of SNCL Engineering Services revenue for full year 2021 to increase by a low single digit percentage, compared to 2020, and tightening outlook of SNCL Engineering Services Segment Adjusted EBIT to segment revenue ratio<sup>(3)</sup> to be between 9.0% and 9.5%

**MONTREAL: October 29, 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 third quarter ended September 30, 2021.

*“I am pleased to share that the Company delivered another quarter of solid performance, building on our year-to-date momentum, and once again led by strong financial results from our SNCL Engineering Services line of business. Across the portfolio, our execution remains sound. SNCL Engineering Services’ strong performance through the first three quarters of the year has been in-line with our expectations, positioning us to achieve our full year financial outlook. At the same time, we continue to progress winding down our remaining LSTK contracts and have reduced the LSTK construction contracts backlog more than 65% over the last two years,” said Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc. “We have established a solid foundation for the Company focusing on our core businesses with an emphasis on delivering revenue growth and positive free cash flow. Our financial performance thus far in 2021 supports the progress we are making and positions us to execute on our “Pivoting to Growth Strategy”.*

**IFRS Financial Highlights**

	Q3 2021	Q3 2020 <sup>A</sup>	YTD 2021 <sup>B</sup>	YTD 2020 <sup>A, B</sup>
Revenue				
From PS&PM	1,781,395	1,742,206	5,357,405	5,202,848
From Capital	27,383	38,894	68,901	106,724
Total	1,808,778	1,781,100	5,426,306	5,309,572
<u>Attributable to SNC-Lavalin Shareholders</u>				
Net income (loss) from continuing operations:				
From PS&PM	7,763	(34,354)	94,918	(45,259)
From Capital	10,815	25,506	20,595	12,062
Total	<b>18,578</b>	<b>(8,848)</b>	<b>115,513</b>	<b>(33,197)</b>
Diluted EPS from continuing operations:				
From PS&PM (\$)	0.04	(0.20)	0.54	(0.26)
From Capital (\$)	0.06	0.15	0.12	0.07
Total (\$)	<b>0.11</b>	<b>(0.05)</b>	<b>0.66</b>	<b>(0.19)</b>
Net income (loss) from discontinued operations	<b>582,111</b>	<b>(76,277)</b>	<b>603,936</b>	<b>(229,539)</b>
Net income (loss)	<b>600,689</b>	<b>(85,125)</b>	<b>719,449</b>	<b>(262,736)</b>
Net cash generated from (used for) operating activities	(64,962)	(136,293)	18,774	16,879
Backlog from continuing operations as at September 30			12,757,100	13,208,900

**Non-IFRS Financial Highlights**

	Q3 2021	Q3 2020 <sup>A</sup>	YTD 2021 <sup>B</sup>	YTD 2020 <sup>A, B</sup>
<u>Attributable to SNC-Lavalin shareholders</u>				
Adjusted net income (loss) from PS&PM <sup>(5)</sup>	40,434	(2,472)	177,623	80,282
Adjusted diluted EPS from PS&PM <sup>(6)</sup> (\$)	0.23	(0.01)	1.01	0.46
Adjusted EBITDA from PS&PM <sup>(4)</sup>	115,840	140,287	428,875	358,971
Adjusted EBITDA from PS&PM to revenue from PS&PM ratio <sup>(9)</sup>	6.5%	8.1%	8.0%	6.9%

All figures in thousands of dollars except per share data

Certain totals and subtotals may not reconcile due to rounding

<sup>A</sup> Comparative figures have been re-presented as a result of an operation discontinued in 2020

<sup>B</sup> YTD includes the nine months ended September 30



### Third 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.

- Q3 2021 consolidated net income from continuing operations attributable to SNC-Lavalin shareholders of \$18.6 million, or \$0.11 per diluted share, up \$27.4 million and \$0.16, respectively, compared to Q3 2020.
  - Net income from continuing operations from PS&PM of \$7.8 million, or \$0.04 per diluted share, up \$42.1 million and \$0.24, respectively, compared to Q3 2020.
  - Adjusted net income from PS&PM<sup>(5)</sup> of \$40.4 million, or \$0.23 per diluted share, up \$42.9 million, or \$0.24 per diluted share, compared to Q3 2020. The increase was mainly due to lower income taxes and net financial expenses, partially offset by higher Corporate selling, general and administrative expenses. The increase in Corporate selling, general and administrative expenses was principally attributable to revised estimates on certain long-term employee incentives, an increase in certain insurance provisions and the in-year phasing of spend on digital initiatives.
  - Net income from continuing operations from Capital of \$10.8 million, or \$0.06 per diluted share in Q3 2021, down \$14.7 million and \$0.09, respectively, compared to Q3 2020.
- Q3 2021 net income from discontinued operations of \$582.1 million, compared to a net loss from discontinued operations of \$76.3 million in Q3 2020, as Q3 2021 includes a net gain on disposal of the Oil & Gas business of \$577.8 million, mainly due to the reclassification to net income of the cumulative exchange differences on translating foreign operations upon disposal of such operations.
- Net income from continuing operations attributable to SNC-Lavalin shareholders included:
  - Amortization of intangible assets related to business combinations of \$22.3 million (\$17.7 million after income taxes or \$0.10 per diluted share) in Q3 2021, compared to \$23.2 million (\$18.9 million after income taxes or \$0.11 per diluted share) in Q3 2020;
  - Restructuring and transformation costs of \$19.2 million (\$14.3 million after income taxes or \$0.08 per diluted share) in Q3 2021, compared to \$7.1 million (\$5.4 million after income taxes or \$0.03 per diluted share) in Q3 2020.

*Lines of Business***SNCL Engineering Services**

	Q3 2021	Q3 2020	YTD 2021 <sup>A</sup>	YTD 2020 <sup>A</sup>
Segment revenue				
EDPM	916,750	898,989	2,785,261	2,777,782
Nuclear	220,473	225,108	684,242	683,277
Infrastructure Services	342,593	323,630	1,029,740	990,942
Total	1,479,816	1,447,727	4,499,243	4,452,001
Segment Adjusted EBIT <sup>(2)</sup>				
EDPM	86,453	81,064	252,473	217,361
Nuclear	36,012	36,200	101,082	103,830
Infrastructure Services	22,544	25,092	69,370	65,223
Total	145,009	142,356	422,925	386,414
Segment Adjusted EBIT to segment revenue ratio <sup>(3)</sup>	9.8%	9.8%	9.4%	8.7%
Backlog as at September 30			11,094,700	10,699,700

All figures in thousands of dollars

<sup>A</sup> YTD includes the nine months ended September 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 substantial depth and breadth of services, long-term client relationships and a strong public sector focus.

- SNCL Engineering Services revenue of \$1,479.8 million in Q3 2021 was up by 2.2% compared to Q3 2020. Based on constant currency<sup>(1)</sup>, revenue was up 4.2%. The increase was mainly due to increased revenue in the EDPM and Infrastructure Services segments, partially offset by a decrease in the Nuclear segment.
- Segment Adjusted EBIT<sup>(2)</sup> of \$145.0 million in Q3 2021, representing a margin of 9.8%, in line with Q3 2020.
  - EDPM Segment Adjusted EBIT<sup>(2)</sup> of \$86.5 million, representing a margin of 9.4%.
  - Nuclear Segment Adjusted EBIT<sup>(2)</sup> of \$36.0 million, representing a margin of 16.3%.
  - Infrastructures Services Segment Adjusted EBIT<sup>(2)</sup> of \$22.5 million, representing a margin of 6.6%.
- SNCL Engineering Services backlog increased by 3.7% to \$11.1 billion as at September 30, 2021, compared to \$10.7 billion as at September 30, 2020 and \$10.9 billion as at December 31, 2020. Total bookings for the first nine months of the year of \$4.7 billion, representing a 1.05 booking-to-revenue ratio<sup>(7)</sup>.

**SNCL Projects**

	Q3 2021	Q3 2020 <sup>A</sup>	YTD 2021 <sup>B</sup>	YTD 2020 <sup>A, B</sup>
Revenue	301,579	294,479	858,162	750,847
Segment Adjusted EBIT <sup>(2)</sup>	(29,461)	(28,395)	(58,930)	(117,959)
LSTK construction contracts backlog decrease	235,800	526,400	679,700	721,900
LSTK construction contracts backlog as at September 30			1,158,400	2,035,200

All figures in thousands of dollars

<sup>A</sup> Comparative figures have been re-presented as a result of an operation discontinued in 2020

<sup>B</sup> YTD includes the nine months ended September 30

Backlog for the SNCL Projects line of business (comprised of the Infrastructure EPC Projects and Resources segments) continued to decrease as the Company executes and progresses on its remaining LSTK projects.

- SNCL Projects total backlog of \$1.5 billion as at September 30, 2021.
  - LSTK construction contracts of \$1.2 billion as at September 30, 2021, down by \$235.8 million from June 30, 2021, and down by \$679.7 million from December 31, 2020.
  - Reimbursable and engineering services contracts of \$0.4 billion as at September 30, 2021, in line with September 30, 2020 and December 31, 2020.
- Negative Segment Adjusted EBIT<sup>(2)</sup> of \$29.5 million in Q3 2021, compared to a negative Segment Adjusted EBIT<sup>(2)</sup> of \$28.4 million in Q3 2020. The Q3 2021 loss was mainly due to the Infrastructure EPC Projects segment, principally attributable to higher close out costs on certain projects and varying impacts of COVID-19 on productivity and supply chain costs.

**Capital**

	Q3 2021	Q3 2020	YTD 2021 <sup>A</sup>	YTD 2020 <sup>A</sup>
Revenue	27,383	38,894	68,901	106,724
Segment Adjusted EBIT <sup>(2)</sup>	23,609	37,094	58,736	97,497
Backlog as at September 30			152,000	162,000

All figures in thousands of dollars

<sup>A</sup> YTD includes the nine months ended September 30

- Capital revenue and Segment Adjusted EBIT<sup>(2)</sup> of \$27.4 million and \$23.6 million, respectively, in Q3 2021, compared to \$38.9 million and \$37.1 million, respectively, in Q3 2020. The variance was mainly due to Highway 407 ETR dividends, as none were received by SNC-Lavalin in Q3 2021, while \$16.9 million was received in Q3 2020.



### *Financial Position and Operating Cash Flow*

- Cash and cash equivalents of \$519.8 million as at September 30, 2021.
- Recourse debt of \$1.0 billion and limited recourse debt of \$0.4 billion as at September 30, 2021.
- Net recourse debt to EBITDA ratio<sup>(8)</sup> calculated in accordance with the terms of the Company's Credit Agreement of 1.9.
- Net cash used for operating activities of \$65.0 million in Q3 2021. The Company generated \$18.8 million of cash from its operating activities for the nine months ended September 30, 2021, compared to \$16.9 million for the nine months ended September 30, 2020.
- Net cash generated from operating activities in SNCL Engineering Services of \$77 million in Q3 2021 (\$352 million year-to-date).

### *2021 Outlook Update*

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 that SNCL Engineering Services revenue for full year 2021 should increase by a low single digit percentage, reflecting current currency rates, compared to 2020.
- The Company has tightened its SNCL Engineering Services Segment Adjusted EBIT to segment revenue ratio<sup>(3)</sup>, which is now expected to be between 9.0% and 9.5% for the full year 2021 (in line or higher than the SNCL Engineering Services Segment Adjusted EBIT to segment revenue ratio<sup>(3)</sup> of 9.0% in 2020).
- The Company continues to expect that consolidated net cash generated from operating activities in 2021 to 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.

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.



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### *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 26, 2021, to shareholders of record on November 12, 2021. This dividend is an “eligible dividend” for Canadian federal and provincial income tax purposes.

### *Third 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 third 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 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 dedicated to engineering a better future for our planet and its people. We create sustainable solutions that connect people, technology and data to design, deliver and operate the most complex projects. We deploy global capabilities locally to our clients and deliver unique end-to-end services across the whole life cycle of an asset including consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, operations & maintenance, decommissioning and capital – and delivered to clients in key strategic sectors such as Engineering Services, Nuclear, Operations & Maintenance and Capital. News and information are available at [snclavalin.com](http://snclavalin.com) or follow us on [LinkedIn](#) and [Twitter](#).



### 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 third quarter of 2021, filed with the securities regulatory authorities in Canada, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) under the "Investors" section. Certain growth figures are determined on a constant currency basis using financial results from the comparable periods of the prior year denominated in foreign currencies translated 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 below and in Sections 4 and 9.4 of the third quarter 2021 MD&A.

<sup>(1)</sup> 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. See also Q3 2021 MD&A, Section 4. The Company believes that this non-IFRS financial measure is useful to compare its performance that excludes certain elements prone to volatility.

<sup>(2)</sup> 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 instruments 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 Q3 2021 MD&A, Section 4.

<sup>(3)</sup> 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 Q3 2021 MD&A, Section 4.



<sup>(4)</sup> 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 nine-month periods ended September 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 Q3 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 (all adjustments listed above apply to PS&PM activities, except for the fair value revaluation of the Highway 407 ETR contingent consideration receivable and gains (losses) on disposals of Capital investments (or adjustments to gains or losses on such disposals), which only apply to Capital), as the Company believes that such measures are useful since these PS&PM activities are analyzed separately by the Company.

<sup>(5)</sup> 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 Q3 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 (all adjustments listed above apply to PS&PM activities, except for the fair value revaluation of the Highway 407 ETR contingent consideration receivable and gains (losses) on disposals of Capital investments (or adjustments to gains or losses on such disposals), which only apply to Capital), as the Company believes that such measures are useful since these PS&PM activities are analyzed separately by the Company.

<sup>(6)</sup> 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 Q3 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.

<sup>(7)</sup> 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.

<sup>(8)</sup> 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.

<sup>(9)</sup> 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. Refer to the Q3 2021 MD&A, Section 9.4 for a reconciliation of Adjusted EBITDA from PS&PM to net income (loss) from continuing operations as determined under IFRS.



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

	Q3 2021		Q3 2020 <sup>1</sup>	
	In M\$	Per diluted EPS In \$	In M\$	Per diluted EPS In \$
<b>Net income (loss) attributable to SNC-Lavalin shareholders from continuing operations (IFRS)</b>	<b>18.6</b>	<b>0.11</b>	<b>(8.8)</b>	<b>(0.05)</b>
Restructuring and transformation costs	19.2		7.1	
Amortization of intangible assets related to business combinations	22.3		23.2	
Loss on disposals of PS&PM businesses	0.6		7.5	
Income taxes and non-controlling interest on adjustments above	(9.5)		(5.8)	
Total adjustments	32.6	0.19	31.8	0.18
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>	<b>51.2</b>	<b>0.29</b>	<b>23.0</b>	<b>0.13</b>
Segment adjusted EBIT from Capital	(23.6)		(37.1)	
Corporate selling, general and administrative expenses not allocated to the segments - Capital	7.0		7.0	
Net financial expenses from Capital	4.0		3.9	
Income taxes from Capital on adjustments above	1.7		0.7	
Total adjustments to exclude Capital	(10.8)	(0.06)	(25.5)	(0.15)
<b>Adjusted net income (loss) attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>	<b>40.4</b>	<b>0.23</b>	<b>(2.5)</b>	<b>(0.01)</b>

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

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



	Nine months ended September 30, 2021		Nine months ended September 30, 2020 <sup>1</sup>	
	In M\$	Per diluted EPS In \$	In M\$	Per diluted EPS In \$
<b>Net income (loss) attributable to SNC-Lavalin shareholders from continuing operations (IFRS)</b>	<b>115.5</b>	<b>0.66</b>	<b>(33.2)</b>	<b>(0.19)</b>
Restructuring and transformation costs	39.3		31.5	
Amortization of intangible assets related to business combination	66.1		103.6	
Fair value revaluation of Highway 407 ETR contingent consideration receivable <sup>2</sup>	-		57.2	
Adjustment to provision for the Pyrrhotite Case litigation <sup>3</sup>	-		10.0	
Loss on disposals of PS&PM businesses	0.6		7.5	
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	(21.9)		(34.6)	
Total adjustments	82.8	0.47	175.2	1.00
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>	<b>198.2</b>	<b>1.13</b>	<b>142.0</b>	<b>0.81</b>
Segment adjusted EBIT from Capital	(58.7)		(97.5)	
Corporate selling, general and administrative expenses not allocated to the segments - Capital	21.1		21.1	
Net financial expenses from Capital	12.5		12.4	
Income taxes from Capital on adjustments above	4.5		2.3	
Total adjustments to exclude Capital	(20.6)	(0.12)	(61.7)	(0.35)
<b>Adjusted net income attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>	<b>177.6</b>	<b>1.01</b>	<b>80.3</b>	<b>0.46</b>

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

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

<sup>2</sup> included in "Gain (loss) arising on financial instruments at fair value through profit or loss"

<sup>3</sup> 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”, “estimates”, “expects”, “forecasts”, “goal”, “intends”, “may”, “objective”, “outlook”, “plans”, “projects”, “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, second and third 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, second and third quarter 2021 MD&A, each filed with the securities regulatory authorities in Canada, available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.snclavalin.com](http://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 nine-month periods ended September 30, 2021, together with its MD&A for the corresponding period, can be accessed on the Company's website at [www.snclavalin.com](http://www.snclavalin.com) and on [www.sedar.com](http://www.sedar.com).