



SNC-Lavalin Reports Second Quarter 2020 Results

MONTREAL: July 31, 2020 – SNC-Lavalin Group Inc. (TSX: SNC) today announced its results for the second quarter ended June 30, 2020.

2020 Second Quarter Highlights

- **Net loss attributable to SNC-Lavalin shareholders of \$111.6 million, or \$(0.64) per diluted share, compared with a net loss of \$2,118.3 million, or \$(12.07) per diluted share for Q2 2019**
 - Q2 2020 net loss includes \$47.3 million of restructuring costs mainly related to the Resources Services transformation (see press release issued earlier today) and EDPM.
- **SNCL Engineering Services; resilient through COVID-19, outlook provided**
 - Total Segment Adjusted EBIT⁽³⁾ of \$132.5 million, representing a 9.0% margin. EDPM Segment Adjusted EBIT⁽³⁾ of \$78.8 million, representing an 8.4% margin.
 - SNCL Engineering Services revenue for the second half of 2020 forecast to decrease by a low to mid single digit percentage, compared to the second half of 2019, and Segment Adjusted EBIT⁽³⁾ as a percentage of revenue expected to be between 8% and 10%.
- **SNCL Projects; backlog continued to reduce, results impacted by COVID-19**
 - LSTK projects backlog reduced by \$0.2 billion in the quarter to \$2.7 billion, with \$2.4 billion being Infrastructure EPC Projects.
 - Resources LSTK Backlog reduced to \$0.2 billion and remains on track to be largely completed by end of 2020, considerably improving management's visibility on completion risks.
 - Total negative Segment Adjusted EBIT⁽³⁾ of \$141.3 million, which included a loss of \$122.3 million in Resources and a loss of \$19.0 million in Infrastructure EPC Projects.
 - Lower productivity from COVID-19 impacted LSTK projects in both Resources and Infrastructure EPC Projects resulting in project reforecasts, with Resources taking a \$70 million charge related to client disputes on a project.
- **Strong financial position and operating cash flows**
 - Cash and cash equivalents at \$1.6 billion and net recourse debt to EBITDA ratio at 1.0x (calculated in accordance with Credit Agreement).
 - \$129.8 million of net cash generated from operating activities during Q2, with SNCL Engineering Services generating \$222 million.



CEO Commentary

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

“During the last quarter, our business has demonstrated resilience through the challenges posed by COVID-19. This would not have been possible without the commitment and efforts of our employees, to whom I offer my thanks and appreciation. The unprecedented economic situation precipitated by COVID-19 and the downturn in oil prices has demonstrated that we made the right decision in changing our business model and exiting LSTK contracting to focus on our core engineering services strengths. Our Engineering Services business in Q2 delivered solid financial results.”

“COVID-19 did have an impact on our LSTK projects productivity, contributing to project reforecasts; however, we do not consider these losses to be representative of future quarterly performance. The LSTK backlog continued to reduce and we are now in the final phases of closing out the Resources LSTK projects, improving management’s visibility on completion risks. We are confident about transforming and resizing our Resources Services business, and its potential to add real value to our Professional Services and Project Management capabilities and to complement our existing Engineering Services focused strategy.”

Second Quarter Financial Highlights

Note that effective from the second quarter of 2020, the Company presents financial results of Capital outside of SNCL Engineering Services.

(in thousands of dollars, unless otherwise indicated)	Second Quarter	
	2020	2019
Total revenue	1,952,739	2,284,177
Net loss attributable to SNC-Lavalin shareholders	(111,647)	(2,118,320)
Diluted EPS (\$)	(0.64)	(12.07)
SNCL Engineering Services		
Revenue	1,469,505	1,499,752
Segment Adjusted EBIT ⁽³⁾	132,526	123,358
Segment Adjusted EBIT to revenue ratio ⁽⁶⁾ (%)	9.0%	8.2%
Backlog	10,982,500	10,934,900
SNCL Projects		
Revenue	461,646	709,679
Segment Adjusted EBIT ⁽³⁾	(141,307)	(307,704)
Segment Adjusted EBIT to revenue ratio ⁽⁶⁾ (%)	(30.6%)	(43.4%)
Backlog	3,442,800	4,562,100



Capital		
Revenue	21,588	74,746
Segment Adjusted EBIT ⁽³⁾	18,375	69,189
Backlog	166,900	187,200
Net cash generated from (used for) operating activities	129,818	(367,603)
Adjusted EBITDA from PS&PM ⁽⁴⁾	39,578	(151,783)
Adjusted diluted EPS ⁽²⁾ from PS&PM (\$)	(0.22)	(1.71)

Second Quarter Results

The Company reported a net loss attributable to SNC-Lavalin shareholders of \$111.6 million, or \$(0.64) per diluted share in Q2 2020, compared with a net loss of \$2,118.3 million, or \$(12.07) per diluted share, for the corresponding period in 2019, as the latter included a non-cash goodwill impairment charge and an impairment of intangible assets relating to the Company's Resources segment totaling \$1.8 billion (after taxes) and unfavorable reforecasts on certain LSTK construction projects of approximately \$280 million. Q2 2020 net loss included restructuring costs of \$47.3 million (after taxes), mainly related to restructuring activity in EDPM and Resources Services.

Adjusted net loss⁽¹⁾ from PS&PM in Q2 2020 amounted to \$38.2 million, or \$(0.22) per diluted share, compared with an adjusted net loss⁽¹⁾ from PS&PM of \$299.8 million, or \$(1.71) per diluted share, for the corresponding period in 2019.

SNCL Engineering Services

The SNCL Engineering Services business (comprised of the EDPM, Nuclear and Infrastructure Services segments) has been resilient through COVID-19, as the decisive and early actions that management took to align costs have proven to be effective. Revenue from SNCL Engineering Services totaled \$1,469.5 million in Q2 2020, a 2.0% decrease from the corresponding period in 2019, while Segment Adjusted EBIT⁽³⁾ totaled \$132.5 million, representing a 7.4% increase, compared to Q2 2019. The EDPM segment has performed strongly over the last quarter, underpinned by its long-term client relationships and strong public sector focus. The Nuclear and Infrastructure Services segments continue to be resilient in the current COVID-19 environment, due to a combination of their services being considered essential and the long-term nature of their contracts.

SNCL Engineering Services also generated \$222 million of cash from operations in Q2 2020, although approximately \$100 million of this benefit will reverse over time related to COVID-19 government payment terms and sales tax deferrals.

EDPM Segment Adjusted EBIT⁽³⁾ was \$78.8 million, representing a margin of 8.4%, in Q2 2020, compared to \$81.5 million, representing a margin of 8.4%, in Q2 2019, as the decrease in revenue as a consequence of COVID-19 was largely offset by cost mitigation measures.



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The Nuclear and Infrastructure Services Segments Adjusted EBIT⁽³⁾ increased to \$53.8 million in Q2 2020, compared to \$41.8 million in Q2 2019, mainly driven by increased scopes of work on certain Operations & Maintenance (“O&M”) contracts and improved performance on other existing and new contracts.

SNCL Engineering Services backlog totaled \$11.0 billion as at June 30, 2020, compared to \$11.1 billion at the end of 2019. Total bookings for Q2 2020 amounted to \$1.5 billion, representing a 1.1 booking-to-revenue ratio⁽⁵⁾, a strong result 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 Resources and Infrastructure EPC Projects segments), which includes LSTK construction contracting, continued to decrease and totaled \$461.6 million in Q2 2020, a decrease of 35.0% compared to Q2 2019. This was mainly due to the continuing backlog run-off of Resources and Canadian light rail transit LSTK construction projects.

SNCL Projects backlog continues to decrease and totaled \$3.4 billion as at June 30, 2020, compared to \$3.9 billion as at March 31, 2020. SNCL Projects backlog at the end of June 30, 2020 included \$0.8 billion of reimbursable & engineering services contracts and \$2.7 billion of LSTK construction contracts, split between Infrastructure EPC Projects with \$2.4 billion, and Resources with \$0.2 billion. The Resources LSTK construction contracts backlog remains on track to be largely completed by end of 2020. Since announcing the exit of LSTK projects in Q2 2019, the Resources LSTK project backlog has reduced from \$581 million to \$234 million, which has considerably improved management visibility of the remaining completion risks in Resources LSTK.

The Resources segment recorded a negative Segment Adjusted EBIT⁽³⁾ of \$122.3 million in Q2 2020, compared to a negative Segment Adjusted EBIT⁽³⁾ of \$181.6 million in Q2 2019. The loss in Q2 2020 was driven by the underperforming Services business, as cost reduction and restructuring activity from the new strategic direction (see press release issued earlier today) was at an early stage, and by a \$70 million charge related to client disputes on a Middle East LSTK project, as well as lower productivity on LSTK projects, all of which has been impacted by COVID-19. The Company does not consider the charge in Q2 representative of current performance.

All Infrastructure LSTK construction projects, except the Husky project, which was suspended in March by the client, continue to progress well, despite COVID-19 having had some impact on pace of delivery. The Infrastructure EPC Projects segment delivered a negative Segment Adjusted EBIT⁽³⁾ of \$19.0 million in Q2 2020, compared to a negative Segment Adjusted EBIT⁽³⁾ of \$126.1 million in Q2 2019, as project reforecasts and lower productivity since mid-March due to revised working conditions caused by COVID-19 impacted margin and profitability. The Company remains confident that the Infrastructure LSTK projects should be cash positive over their project life and that the Q2 loss does not represent a new trend.



Capital

Capital Segment Adjusted EBIT⁽³⁾ decreased to \$18.4 million, compared to \$69.2 million in Q2 2019, as no dividends were received in the quarter from the Company's reduced interest in Highway 407 ETR. Highway 407 ETR has seen significant reductions in traffic volumes since mid-March, and while the full duration and scope of the impact on Highway 407 ETR from the pandemic remain unknown, management continue to strongly believe in the long-term concession value. Excluding the Highway 407 ETR, the Capital segment businesses are primarily availability-based contracts and have not been significantly impacted by the COVID-19 pandemic.

Second Quarter Financial Position and Cash Flows

The Company generated \$129.8 million of net cash from operating activities in Q2 2020, compared to a net cash used for operating activities of \$367.6 million in Q2 2019, which benefited from temporary positive working capital from certain projects and included approximately \$100 million of benefit from COVID-19 government payment terms and sales tax deferrals, which will reverse in the coming quarters. The remaining improvement is mainly due to improved profitability, particularly in SNCL Engineering Services, which generated \$222 million of net cash from operating activities in Q2 2020, compared to \$45 million in Q2 2019.

As a result of these actions, and other working capital initiatives, as at June 30, 2020, the Company had \$1.6 billion of cash and cash equivalents. The Company has an additional \$1.5 billion available on its revolving credit facility should it so need. The Company has \$1.7 billion of recourse debt, of which \$0.3 billion is due for repayment in Q4 2020, with the remainder not due until 2021 and beyond, and \$0.4 billion of limited recourse debt.

As at June 30, 2020, the net recourse debt to EBITDA ratio calculated in accordance with the terms of the Company's Credit Agreement was 1.0x, well below the required covenant level of 3.75x.

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 28, 2020 to shareholders of record on August 14, 2020. This dividend is an "eligible dividend" for Canadian federal and provincial income tax purposes.

2020 Outlook

As the scale and economic impact on the business from COVID-19 becomes clearer, and the resiliency of the Company's businesses are supplemented by management actions, it provides improved visibility on the forecasted financial outcome for the remainder of the year. The



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Company now expects, assuming no significant deviation from the current COVID-19 worldwide situation, that SNCL Engineering Services revenue for the second half of 2020 should decrease by a low to mid single digit percentage, compared to the second half of 2019, and that its Segment Adjusted EBIT⁽³⁾ as a percentage of revenue should be between 8% and 10% for the same period.

This outlook is based on the assumptions and methodology described in the Company's second 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.

Second Quarter 2020 Earnings Conference Call / Webcast

SNC-Lavalin will hold a conference call today at 8:30 a.m. EDT to review results for its second 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.

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: Adjusted net income (loss) attributable to SNC-Lavalin shareholders, Adjusted diluted EPS, Segment Adjusted EBIT, Segment Adjusted EBIT to revenue ratio, Adjusted EBITDA 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 second 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.

⁽¹⁾ *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 (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 six-month periods ended June 30, 2020). 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 Q2 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.*

⁽²⁾ *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 Q2, 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.*



⁽³⁾ 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 Q2, 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 of the Company's unaudited interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2020.

⁽⁴⁾ 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, 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 Q2 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.

⁽⁵⁾ 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.

⁽⁶⁾ 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.

SNC-Lavalin Financial Summary

	Second Quarter		Six months ended June 30	
	2020	2019	2020	2019
<i>(in thousands of dollars, unless otherwise indicated)</i>				
Revenues				
SNCL Engineering Services	1,469,505	1,499,752	3,004,274	2,941,763
SNCL Projects	461,646	709,679	1,110,119	1,558,684
Capital	21,588	74,746	67,830	146,923
	1,952,739	2,284,177	4,182,223	4,647,370
Net income (loss) attributable to SNC-Lavalin shareholders				
From PS&PM	(118,242)	(2,183,772)	(164,167)	(2,251,127)
From Capital	6,595	65,452	(13,444)	115,502
	(111,647)	(2,118,320)	(177,611)	(2,135,625)
Diluted EPS (\$)				
From PS&PM	(0.67)	(12.44)	(0.94)	(12.82)
From Capital	0.04	0.37	(0.08)	0.65
	(0.64)	(12.07)	(1.01)	(12.17)
Adjusted net income (loss) attributable to SNC-Lavalin shareholders⁽¹⁾				
From PS&PM	(38,194)	(299,822)	(42,112)	(314,735)
From Capital	6,593	65,608	36,182	117,390
	(31,601)	(234,214)	(5,930)	(197,345)
Adjusted diluted EPS⁽²⁾ (\$)				
From PS&PM	(0.22)	(1.71)	(0.24)	(1.79)
From Capital	0.04	0.37	0.21	0.67
	(0.18)	(1.34)	(0.03)	(1.12)
Adjusted EBITDA from PS&PM⁽⁴⁾	39,578	(151,783)	124,571	(72,577)
Backlog				
SNCL Engineering Services			10,982,500	10,934,900
SNCL Projects			3,442,800	4,562,100
Capital			166,900	187,200
			14,592,200	15,684,200
Cash and cash equivalents			1,591,221	580,625
Recourse and limited recourse debt			2,069,034	3,991,428

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)

	Second Quarter 2020			Six months ended June 30, 2020		
	PS&PM	Capital	Total	PS&PM	Capital	Total
<i>(in M\$)</i>						
Net income (loss) attributable to SNC-Lavalin shareholders (IFRS)	(118.2)	6.6	(111.6)	(164.2)	(13.4)	(177.6)
Amortization of intangible assets related to business combinations	32.7	-	32.7	65.7	-	65.7
Restructuring costs	47.3	-	47.3	49.4	-	49.4
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
Adjusted net income (loss) attributable to SNC-Lavalin shareholders (non-IFRS)	(38.2)	6.6	(31.6)	(42.1)	36.2	(5.9)
<i>(in \$)</i>						
Diluted EPS (IFRS)	(0.67)	0.04	(0.64)	(0.94)	(0.08)	(1.01)
Amortization of intangible assets related to business combinations	0.19	-	0.19	0.37	-	0.37
Restructuring costs	0.27	-	0.27	0.28	-	0.28
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
Adjusted Diluted EPS (non-IFRS)	(0.22)	0.04	(0.18)	(0.24)	0.21	(0.03)

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"

	Second Quarter 2019			Six months ended June 30, 2019		
	PS&PM	Capital	Total	PS&PM	Capital	Total
<i>(in M\$)</i>						
Net income (loss) attributable to SNC-Lavalin shareholders (IFRS)	(2,183.8)	65.5	(2,118.3)	(2,251.1)	115.5	(2,135.6)
Impairment of goodwill	1,720.9	-	1,720.9	1,720.9	-	1,720.9
Impairment of intangible assets related to business combinations	60.1	-	60.1	60.1	-	60.1
Amortization of intangible assets related to business combinations	40.5	-	40.5	83.2	-	83.2
Restructuring costs	32.9	0.1	33.0	39.1	1.8	40.9
Financing costs related to the agreement to sell shares of Highway 407 ETR	27.4	-	27.4	27.4	-	27.4
Acquisition-related costs and integration costs	2.0	-	2.0	5.4	-	5.4
Loss from adjustment on disposals of PS&PM businesses	0.1	-	0.1	0.2	-	0.2
Adjusted net income (loss) attributable to SNC-Lavalin shareholders (non-IFRS)	(299.8)	65.6	(234.2)	(314.7)	117.4	197.3
<i>(in \$)</i>						
Diluted EPS (IFRS)	(12.44)	0.37	(12.07)	(12.82)	0.66	(12.17)
Impairment of goodwill	9.80	-	9.80	9.80	-	9.80
Impairment of intangible assets related to business combinations	0.34	-	0.34	0.34	-	0.34
Amortization of intangible assets related to business combinations	0.23	-	0.23	0.47	-	0.47
Restructuring costs	0.19	0.00	0.19	0.22	0.01	0.23
Financing costs related to the agreement to sell shares of Highway 407 ETR	0.16	-	0.16	0.16	-	0.16
Acquisition-related costs and integration costs	0.01	-	0.01	0.03	-	0.03
Loss from adjustment on disposals of PS&PM businesses	0.00	-	0.00	0.00	-	0.00
Adjusted Diluted EPS (non-IFRS)	(1.71)	0.37	(1.34)	(1.79)	0.67	(1.12)

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

Statements made in this press release that describe the Company’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “aims”, “anticipates”, “assumes”, “believes”, “cost savings”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “should”, “synergies”, “target”, “vision”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; 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. 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 and second 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 the elements of uncertainty related thereto; (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; (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



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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 and second 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.

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, 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.