



## SNC-Lavalin Reports Third Quarter 2022 Results

### Engineering Services Delivers Strong Growth and Record Backlog

#### Q3 2022 Financial Highlights

(All results reflect comparisons to prior-year period of Q3 2021, except otherwise indicated)

- SNCL Services revenue increased 8.2% to \$1.6 billion, or 12.6% on an organic revenue growth<sup>(1)(5)</sup> basis
  - Strong organic revenue growth<sup>(1)(5)</sup> in the Engineering Services and O&M segments
- SNCL Services Segment Adjusted EBIT of \$152.6 million, representing a 9.3% margin
- SNCL Services backlog as at September 30, 2022, totaled \$11.7 billion
  - Engineering Services segment backlog stood at a new record high of \$4.6 billion, up 20.3%, with a further strong increase in the United States
- LSTK Projects Segment Adjusted EBIT of negative \$43.9 million
  - Management remains confident that the cumulative potential financial risks to complete the LSTK projects should be contained within the previously disclosed \$300 million envelope
- LSTK Projects backlog reduced by \$494.5 million year over year and \$164.5 million sequentially from Q2 2022 to \$663.9 million as at September 30, 2022
  - The two LSTK Ontario projects remain on track to be largely physically complete by end of the year
- Net income from continuing operations attributable to SNC-Lavalin shareholders totaled \$44.7 million, or \$0.25 per diluted share, compared to net income of \$18.6 million, or \$0.11 per diluted share in Q3 2021
- Net cash used for operating activities of \$158.7 million, mainly due to operating cash outflows needed to complete the remaining LSTK Projects

#### 2022 Outlook

- Given robust backlog and strong performance year-to-date in Engineering Services, management is raising its SNCL Services organic revenue growth<sup>(1)(5)</sup> outlook for full year 2022 vs 2021 to between 5% and 7% (previously between 4% and 6%)
  - Q4 2021 included a \$93 million favorable outcome from an arbitration decision that is not expected to repeat in Q4 2022
- Tightening the range on SNCL Services Segment Adjusted EBIT to segment revenue ratio outlook for full year 2022 to between 8.5% and 9.0% (previously between 8% and 10%)
- Updating 2022 net cash from operating activities outlook to approximately negative \$300 million (previously between negative \$50 million and negative \$150 million), primarily driven by the need to fund higher costs to complete the LSTK projects prior to receiving potential claim recoveries
- Reaffirming all other Company's financial outlook metrics for full year 2022



**MONTREAL: November 4, 2022** – SNC-Lavalin Group Inc. (TSX: SNC), a fully integrated professional services and project management company with offices around the world, today announced its financial results for the third quarter ended September 30, 2022.

*“I am pleased with our third quarter results which demonstrate our ability to execute on our stated strategy. Our SNCL Services business produced its sixth-consecutive quarter of positive year-over-year revenue growth, while our Engineering Services segment achieved a second consecutive quarter of record high backlog, driven by continued growth in the United States. Recent performance highlights our ability to capture market share in our core geographies, which continue to demonstrate resilient growth, a key pillar of our Pivoting to Growth strategy,” said Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc. “We were also successful in further decreasing our LSTK backlog in the quarter, and as we push towards completion, we remain confident with our previously disclosed financial risks estimates. Our third quarter results highlight the long-term runway for SNC-Lavalin, mainly driven by our unique end-to-end capabilities to support the public sector’s focus on sustainable infrastructure and long-term energy solutions across the globe, as we strive to engineer a better future for our planet and its people.”*

### Third Quarter Financial 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 Services, Nuclear, Linxon, Operation & Maintenance (“O&M”), and Lump-Sum Turnkey (“LSTK”) Projects, while Capital is its own reportable segment and separate from PS&PM.

### IFRS Financial Highlights

	Q3 2022	Q3 2021	2022 <sup>A</sup>	2021 <sup>A</sup>
Revenue				
From PS&PM	1,859.9	1,781.4	5,589.2	5,357.4
From Capital	29.5	27.4	59.8	68.9
Total	1,889.4	1,808.8	5,649.0	5,426.3
<u>Attributable to SNC-Lavalin shareholders</u>				
Net income from continuing operations:				
From PS&PM	29.5	7.8	45.6	94.9
From Capital	15.2	10.8	25.4	20.6
Total	<b>44.7</b>	<b>18.6</b>	<b>71.0</b>	<b>115.5</b>
Diluted EPS from continuing operations:				
From PS&PM (\$)	0.17	0.04	0.26	0.54
From Capital (\$)	0.09	0.06	0.14	0.12
Total (\$)	<b>0.25</b>	<b>0.11</b>	<b>0.40</b>	<b>0.66</b>
Net income (loss) from discontinued operations	<b>(6.9)</b>	<b>582.1</b>	<b>(6.9)</b>	<b>603.9</b>
Net income	<b>37.8</b>	<b>600.7</b>	<b>64.1</b>	<b>719.4</b>
Net cash generated from (used for) operating activities	(158.7)	(65.0)	(421.4)	18.8



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Backlog as at September 30 <sup>B</sup>		
SNCL Services	11,663.7	11,446.7
Capital	34.3	152.0
LSTK Projects	663.9	1,158.4
Total	12,362.0	12,757.1

### Non-IFRS Financial Highlights

	Q3 2022	Q3 2021	2022 <sup>A</sup>	2021 <sup>A</sup>
<u>Attributable to SNC-Lavalin shareholders</u>				
Adjusted net income from PS&PM <sup>(1)</sup>	52.1	40.4	145.3	177.6
Adjusted diluted EPS from PS&PM <sup>(1)(2)</sup> (\$)	0.30	0.23	0.83	1.01
Adjusted EBITDA from PS&PM <sup>(1)</sup>	127.2	115.8	367.7	428.9

All figures in millions of dollars, except otherwise indicated

Certain totals and subtotals may not reconcile due to rounding

<sup>A</sup> For the nine-month period ended September 30

<sup>B</sup> Comparative figures have been restated to reflect the new reportable segments effective as of January 1, 2022

### Lines of Business Performance

#### SNCL Services

	Q3 2022	Q3 2021 <sup>B</sup>	2022 <sup>A</sup>	2021 <sup>A,B</sup>
<u>Segment revenue</u>				
Engineering Services	1,176.5	1,039.3	3,443.3	3,150.1
Nuclear	219.2	220.5	672.3	684.2
O&M	124.3	109.8	365.6	355.8
Linxon	123.1	148.9	427.3	424.1
Total	1,643.0	1,518.5	4,908.5	4,614.3
<u>Segment Adjusted EBIT</u>				
Engineering Services	97.9	93.0	278.5	274.4
Nuclear	36.6	36.0	103.4	101.1
O&M	15.8	17.3	38.9	43.1
Linxon	2.3	1.6	4.4	15.0
Total	152.6	148.0	425.2	433.6
Segment Adjusted EBIT to segment revenue ratio	9.3%	9.7%	8.7%	9.4%
<u>Backlog as at September 30</u>				
Engineering Services			4,622.9	3,843.2
Nuclear			859.0	802.5
O&M			5,418.0	5,783.0
Linxon			763.8	1,018.1
Total			11,663.7	11,446.7

All figures in millions of dollars, except otherwise indicated

<sup>A</sup> For the nine-month period ended September 30

<sup>B</sup> Comparative figures have been restated to reflect the new reportable segments effective as of January 1, 2022



The SNCL Services line of business (comprised of the Engineering Services, Nuclear, O&M and Linxon segments) delivered strong organic revenue growth this quarter. Governments have been investing for growth in sustainable infrastructure and Nuclear power as a strong foundation for a lower carbon grid. These focus areas, which are in line with the Company's purpose of engineering a better future for our planet and its people, represent a significant long-term opportunity for SNC-Lavalin, which is driven by its leading position in the marketplace and its deep customer relationships. Looking forward, SNC-Lavalin is well positioned to capitalize on these growth tailwinds and management continues to see strong opportunities across each of the core markets in which the Company operates — Canada, United Kingdom and the United States.

- Q3 2022 revenue reached \$1.6 billion, up 8.2% compared to Q3 2021. SNCL Services had organic revenue growth<sup>(1)(5)</sup> of 12.6% in Q3 2022 compared to Q3 2021.
  - Primarily driven by an organic revenue growth<sup>(1)(5)</sup> of 18.3% in Engineering Services, and 12.2% in O&M.
- Q3 2022 Segment Adjusted EBIT was \$152.6 million, representing a 9.3% margin.
  - Engineering Services Segment Adjusted EBIT of \$97.9 million represents an 8.3% margin, slightly below the corresponding quarter last year, as Q3 2021 Segment Adjusted EBIT included the positive impact of a successful arbitration outcome.
    - Engineering Services Segment Adjusted EBITDA to segment net revenue ratio<sup>(1)(6)</sup> of 14.5%.
  - Nuclear Segment Adjusted EBIT of \$36.6 million representing a 16.7% margin.
  - O&M Segment Adjusted EBIT of \$15.8 million representing a 12.7% margin.
  - Linxon Segment Adjusted EBIT of \$2.3 million representing a 1.9% margin.
    - Linxon Segment Adjusted EBITDA to segment net revenue ratio<sup>(1)(7)</sup> of 3.2%.
- Backlog amounted to \$11.7 billion as at September 30, 2022, which included \$2.0 billion of bookings in Q3 2022, representing a 1.22 booking-to-revenue ratio<sup>(1)(3)</sup>.
  - Engineering Services backlog reached a second-consecutive quarter record-high and totaled \$4.6 billion as at September 30, 2022, an increase of 20.3%, compared to September 30, 2021, which includes another new record-high for the United States. Bookings in Q3 2022 totaled \$1.6 billion, representing a 1.40 booking-to-revenue ratio<sup>(1)(3)</sup>.

**LSTK Projects**

	Q3 2022	Q3 2021 <sup>B</sup>	2022 <sup>A</sup>	2021 <sup>A,B</sup>
Revenue	216.9	263.0	680.7	743.2
Segment Adjusted EBIT	(43.9)	(32.4)	(111.1)	(69.6)
Backlog decrease	164.5	235.8	503.0	679.7
Backlog as at September 30			663.9	1,158.4

All figures in millions of dollars

<sup>A</sup> For the nine-month period ended September 30

<sup>B</sup> Comparative figures have been restated to reflect the new reportable segments effective as of January 1, 2022

The Company continues to execute its LSTK projects exit strategy, progressing well on the winding down of its last remaining projects. Progress on all three infrastructure projects was strong in the quarter, and the two remaining Ontario projects remain on track to be largely physically complete by end of the year.

- The LSTK Projects segment backlog decreased by 19.9% during the quarter. Backlog totaled \$663.9 million as at September 30, 2022, representing a 42.7% decrease compared to September 30, 2021.
- Q3 2022 Segment Adjusted EBIT was negative \$43.9 million, as the LSTK projects were affected by supply chain disruptions, high inflation, Ontario safety inspectors' strike and labour shortages.
- Year-to-date Segment Adjusted EBIT totaled negative \$111.1 million and included:
  - \$77 million of losses related with the previously disclosed \$300 million potential financial risks to complete the LSTK projects (\$20 million in Q1 2022, \$26 million in Q2 2022 and \$31 million in Q3 2022). Management remains confident that the cumulative potential financial risks to complete the LSTK projects should be contained within the \$300 million\* envelope.
  - \$34 million of losses mainly related to segment overhead costs needed to support these projects.
- The Company is actively pursuing COVID-19 and other claims associated with the increased costs experienced on the projects. While discussions with the clients remain ongoing, and may take some time to settle, once the claims are resolved the related cash received will be incrementally positive to the Company's net cash from operating activities.

\* Announced on March 3, 2022. See also the assumptions and methodology set out in Section 2.2 of the Company's 2021 Annual Management's Discussion and Analysis ("2021 Annual MD&A") under the heading "How We Budget and Forecast Our Results", particularly but not limited to the Source of Variation titled "Unforeseen impacts related to ongoing and continued duration of COVID-19 pandemic" and the "Forward-Looking Statements" section in this press release.



## **Capital**

	Q3 2022	Q3 2021	2022 <sup>A</sup>	2021 <sup>A</sup>
Revenue	29.5	27.4	59.8	68.9
Segment Adjusted EBIT	24.8	23.6	48.1	58.7
Backlog as at September 30			34.3	152.0

*All figures in millions of dollars*

*<sup>A</sup> For the nine-month period ended September 30*

The Q3 2022 Capital Segment Adjusted EBIT increase was mainly due the receipt of a \$13.5 million dividend from Highway 407 ETR (none were received in Q3 2021), partially offset by the decreased contribution from InPower BC G.P. (the John Hart Generating Station), since its disposal to SNC-Lavalin Infrastructure Partners LP in February 2022.

## ***Operating Cash Flow and Financial Position***

- Net cash used for operating activities amounted to \$158.7 million in Q3 2022, compared to a net cash used for operating activities of \$65.0 million in Q3 2021. The negative operating cash flows in Q3 2022 were mainly due to operating cash outflows needed to complete the remaining LSTK Projects, partially offset by operating cash inflows from SNCL Services and Capital.
- Net cash generated from operating activities in SNCL Services<sup>(1)(8)</sup> of \$60.2 million in Q3 2022.
- Cash and cash equivalents of \$482.6 million as at September 30, 2022.
- Recourse debt of \$1.6 billion and limited recourse debt of \$0.4 billion as at September 30, 2022.
- Net limited recourse and recourse debt to Adjusted EBITDA ratio<sup>(1)(4)</sup> of 3.3 as at September 30, 2022.

## ***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 December 2, 2022, to shareholders of record on November 18, 2022. This dividend is an “eligible dividend” for Canadian federal and provincial income tax purposes.

## ***Third Quarter 2022 Conference Call / Webcast***

SNC-Lavalin will hold a conference call and audio webcast today at 8:30 a.m. (Eastern Time) to discuss and present its third quarter financial results. The live audio webcast of the conference call can be accessed through a link posted on the Company’s website, as well as an



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accompanying slide presentation, 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 0808 101 2791 in the United Kingdom. A recording and a transcript of the conference call 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](#).

<sup>(1)</sup> Non-IFRS financial measures and ratios, supplementary financial measures and non-financial information do not have a standardized definition within International Financial Reporting Standards (IFRS), and other issuers may define these measures differently and, accordingly, these may not be comparable to similar measures used by other issuers. Refer to the sections "Non-IFRS Financial Measures and Ratios, Supplementary Financial Measures and Non-Financial Information" and "Reconciliations and Calculations" of this press release.

<sup>(2)</sup> Adjusted diluted EPS is a non-IFRS ratio based on adjusted net income (loss) attributable to SNC-Lavalin shareholders from continuing operations, itself a non-IFRS financial measure.

<sup>(3)</sup> Booking-to-revenue ratio is a non-IFRS ratio based on contract bookings.

<sup>(4)</sup> Net limited recourse and recourse debt to Adjusted EBITDA ratio is a non-IFRS ratio based on net limited recourse and recourse debt at the end of a given period and Adjusted EBITDA of the corresponding trailing twelve-month period, both of which are non-IFRS financial measures.

<sup>(5)</sup> Organic revenue growth (contraction) is a non-IFRS ratio comparing organic revenue (which excludes foreign exchange and acquisition and divestiture impacts), itself a non-IFRS financial measure, between two periods.

<sup>(6)</sup> Segment Adjusted EBITDA to segment net revenue for the Engineering Services segment is a non-IFRS ratio based on Segment Adjusted EBITDA and segment net revenue, both of which are non-IFRS financial measures.

<sup>(7)</sup> Segment Adjusted EBITDA to segment net revenue for the Linxon segment is a non-IFRS ratio based on Segment Adjusted EBITDA and segment net revenue, both of which are non-IFRS financial measures.

<sup>(8)</sup> Net cash generated from (used for) operating activities on a line of business/segment basis is a supplementary financial measure and is identical in composition to net cash generated from (used for) operating activities as reported in the financial statements, except that it is provided on a line of business/segment basis as opposed to on a consolidated basis.



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### ***Non-IFRS Financial Measures and Ratios, Supplementary Financial Measures and Non-Financial Information***

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS financial measures and ratios, supplementary financial measures and non-financial information are used by the Company in this press release: Organic revenue growth (contraction), EBITDA, Adjusted EBITDA, Adjusted net income (loss) attributable to SNC-Lavalin shareholders, Adjusted diluted EPS, Booking-to-revenue ratio, Segment Adjusted EBITDA to segment net revenue ratio, Segment net revenue, Net limited recourse and recourse debt to adjusted EBITDA ratio, Net limited recourse and recourse debt and Net cash generated from (used for) operating activities on a line of business/segment basis. Additional details for these non-IFRS financial measures and ratios, supplementary financial measures and non-financial information can be found below and in Sections 6.4 and 9 of SNC-Lavalin's Management's Discussion & Analysis ("MD&A") for the third quarter of 2022 (which sections are incorporated by reference into this press release), 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. Non-IFRS financial measures and ratios, supplementary financial measures and non-financial information 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 financial measures and ratios, and supplementary financial measures and non-financial information 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 and ratios, and supplementary financial measures and non-financial information 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, certain additional IFRS measures and ratios, and certain supplementary financial measures and other non-financial information 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 and calculations of non-IFRS measures to the most comparable IFRS measures are set forth below in the section "Reconciliations and Calculations" of this press release.



### Reconciliations and Calculations

**Reconciliation of Adjusted net income attributable to SNC-Lavalin shareholders from PS&PM to IFRS net income attributable to SNC-Lavalin shareholders from continuing operations**

	Q3 2022				Q3 2021			
	Before Taxes	Taxes	After Taxes	Diluted EPS (In \$)	Before Taxes	Taxes	After Taxes	Diluted EPS (In \$)
<b>Net income attributable to SNC-Lavalin shareholders from continuing operations (IFRS)</b>			<b>44.7</b>	<b>0.25</b>			<b>18.6</b>	<b>0.11</b>
Restructuring and transformation costs	8.9	(2.1)	6.8		19.2	(4.9)	14.3	
Amortization of intangible assets related to business combinations	19.8	(4.0)	15.8		22.3	(4.6)	17.7	
Loss on disposal of a PS&PM business	-	-	-		0.6	-	0.6	
Total adjustments	28.7	(6.1)	22.6	0.13	42.1	(9.5)	32.6	0.19
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>			<b>67.3</b>	<b>0.38</b>			<b>51.2</b>	<b>0.29</b>
<b>Net income attributable to SNC-Lavalin shareholders from Capital</b>								
			15.2	0.09			10.8	0.06
Total adjustments	-	-	-	-	-	-	-	-
<b>Adjusted net income attributable to SNC-Lavalin shareholders from Capital (non-IFRS)</b>			<b>15.2</b>	<b>0.09</b>			<b>10.8</b>	<b>0.06</b>
<b>Adjusted net income attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>			<b>52.1</b>	<b>0.30</b>			<b>40.4</b>	<b>0.23</b>



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	Nine months ended September 30, 2022				Nine months ended September 30, 2021			
	Before Taxes	Taxes	After Taxes	Diluted EPS (In \$)	Before Taxes	Taxes	After Taxes	Diluted EPS (In \$)
<b>Net income attributable to SNC-Lavalin shareholders from continuing operations (IFRS)</b>			<b>71.0</b>	<b>0.40</b>			<b>115.5</b>	<b>0.66</b>
Restructuring and transformation costs	29.0	(6.6)	22.4		39.3	(9.8)	29.4	
Amortization of intangible assets related to business combinations	62.7	(12.9)	49.9		66.1	(12.1)	54.0	
Gain on disposal of a Capital investment	(4.3)	(0.1)	(4.4)		-	-	-	
Loss on disposals of a PS&PM business	-	-	-		0.6	-	0.6	
Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	-	-	-		(1.3)	-	(1.3)	
DPCP Remediation Agreement expense	27.4	-	27.4		-	-	-	
Total adjustments	114.8	(19.6)	95.2	0.54	104.6	(21.9)	82.8	0.47
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>			<b>166.2</b>	<b>0.95</b>			<b>198.2</b>	<b>1.13</b>
<b>Net income attributable to SNC-Lavalin shareholders from Capital</b>			<b>25.4</b>	<b>0.14</b>			<b>20.6</b>	<b>0.12</b>
Gain on disposal of a Capital investment	(4.3)	(0.1)	(4.4)		-	-	-	
Total adjustments	(4.3)	(0.1)	(4.4)	(0.03)	-	-	-	-
<b>Adjusted net income attributable to SNC-Lavalin shareholders from Capital (non-IFRS)</b>			<b>20.9</b>	<b>0.12</b>			<b>20.6</b>	<b>0.12</b>
<b>Adjusted net income attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>			<b>145.3</b>	<b>0.83</b>			<b>177.6</b>	<b>1.01</b>

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

All figures in millions of dollars, except otherwise indicated



**Reconciliation of EBITDA and Adjusted EBITDA to IFRS net income from continuing operations**

	Q3 2022			Q3 2021		
	From PS&PM	From Capital	Total	From PS&PM	From Capital	Total
<b>Net income from continuing operations</b>	<b>31.4</b>	<b>15.2</b>	<b>46.6</b>	<b>8.9</b>	<b>10.8</b>	<b>19.8</b>
Net financial expenses	21.9	1.1	23.0	22.3	4.0	26.3
Income taxes	1.8	1.5	3.3	(1.7)	1.7	-
<b>EBIT</b>	<b>55.2</b>	<b>17.7</b>	<b>72.9</b>	<b>29.6</b>	<b>16.6</b>	<b>46.2</b>
Depreciation and amortization	63.1	-	63.2	66.4	-	66.5
<b>EBITDA</b>	<b>118.3</b>	<b>17.8</b>	<b>136.1</b>	<b>96.0</b>	<b>16.6</b>	<b>112.6</b>
Restructuring and transformation costs	8.8	-	8.8	19.2	-	19.2
Loss on disposal of a PS&PM business	-	-	-	0.6	-	0.6
<b>Adjusted EBITDA</b>	<b>127.2</b>	<b>17.8</b>	<b>144.9</b>	<b>115.8</b>	<b>16.6</b>	<b>132.4</b>



	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	From PS&PM	From Capital	Total	From PS&PM	From Capital	Total
<b>Net income from continuing operations</b>	<b>46.6</b>	<b>25.4</b>	<b>72.0</b>	<b>100.2</b>	<b>20.6</b>	<b>120.8</b>
Net financial expenses	65.9	2.9	68.8	71.0	12.5	83.5
Income taxes	7.7	3.0	10.7	21.3	4.5	25.8
<b>EBIT</b>	<b>120.2</b>	<b>31.3</b>	<b>151.5</b>	<b>192.5</b>	<b>37.6</b>	<b>230.0</b>
Depreciation and amortization	191.1	-	191.1	197.9	0.1	198.0
<b>EBITDA</b>	<b>311.3</b>	<b>31.3</b>	<b>342.6</b>	<b>390.3</b>	<b>37.7</b>	<b>428.0</b>
Restructuring and transformation costs	29.0	-	29.0	39.3	-	39.3
Gain on disposal of a Capital investment	-	(4.3)	(4.3)	-	-	-
Loss on disposal of a PS&PM business	-	-	-	0.6	-	0.6
Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	-	-	-	(1.3)	-	(1.3)
DPCP Remediation Agreement expense	27.4	-	27.4	-	-	-
<b>Adjusted EBITDA</b>	<b>367.7</b>	<b>27.0</b>	<b>394.7</b>	<b>428.9</b>	<b>37.7</b>	<b>466.5</b>

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

All figures in millions of dollars

### Calculation of segment net revenue and Segment Adjusted EBITDA to segment net revenue ratio for Engineering Services and Linxon segments

	Q3 2022	Nine months ended September 30, 2022
Revenue – Engineering Services	1,176.5	3,443.3
Less: Direct costs for sub-contractors and other direct expenses that are recoverable directly from clients – Engineering Services	297.5	841.9
<b>Segment net revenue – Engineering Services</b>	<b>879.0</b>	<b>2,601.4</b>
Segment Adjusted EBITDA – Engineering Services	127.5	368.2
<b>Segment Adjusted EBITDA to segment net revenue ratio – Engineering Services</b>	<b>14.5%</b>	<b>14.2%</b>



	Q3 2022	Nine months ended September 30, 2022
Revenue – Linxon	123.1	427.3
Less: Costs of equipment provided by the minority shareholder of Linxon	24.1	70.1
<b>Segment net revenue – Linxon</b>	<b>99.0</b>	<b>357.2</b>
Segment Adjusted EBITDA – Linxon	3.2	7.4
<b>Segment Adjusted EBITDA to segment net revenue ratio – Linxon</b>	<b>3.2%</b>	<b>2.1%</b>

All figures in millions of dollars, except otherwise indicated

### Calculation of organic revenue growth (contraction)

	Q3 2022 Revenue	Q3 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	1,176.5	1,039.3	137.1	(45.0)	-	182.1
Nuclear	219.2	220.5	(1.3)	(5.0)	0.5	3.2
O&M	124.3	109.8	14.5	1.0	-	13.5
Linxon	123.1	148.9	(25.8)	(10.4)	-	(15.4)
<b>Total – SNCL Services</b>	<b>1,643.0</b>	<b>1,518.5</b>	<b>124.6</b>	<b>(59.3)</b>	<b>0.5</b>	<b>183.4</b>

	Q3 2022 Revenue	Q3 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	1,176.5	1,039.3	13.2%	(5.1)%	-	18.3%
Nuclear	219.2	220.5	(0.6)%	(2.3)%	0.2%	1.5%
O&M	124.3	109.8	13.2%	1.1%	-	12.2%
Linxon	123.1	148.9	(17.3)%	(6.2)%	-	(11.1)%
<b>Total – SNCL Services</b>	<b>1,643.0</b>	<b>1,518.5</b>	<b>8.2%</b>	<b>(4.4)%</b>	<b>-</b>	<b>12.6%</b>

	Nine months ended September 30, 2022 Revenue	Nine months ended September 30, 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	3,443.3	3,150.1	293.2	(78.3)	-	371.5
Nuclear	672.3	684.2	(11.9)	(7.9)	0.5	(4.6)
O&M	365.6	355.8	9.8	2.4	-	7.4
Linxon	427.3	424.1	3.2	(26.4)	-	29.5
<b>Total – SNCL Services</b>	<b>4,908.5</b>	<b>4,614.3</b>	<b>294.3</b>	<b>(110.1)</b>	<b>0.5</b>	<b>403.9</b>



	Nine months ended September 30, 2022 Revenue	Nine months ended September 30, 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	3,443.3	3,150.1	9.3%	(2.8)%	-	12.1%
Nuclear	672.3	684.2	(1.7)%	(1.1)%	0.1%	(0.7)%
O&M	365.6	355.8	2.8%	0.7%	-	(2.1)%
Linxon	427.3	424.1	0.7%	(6.7)%	-	7.4%
<b>Total – SNCL Services</b>	<b>4,908.5</b>	<b>4,614.3</b>	<b>6.4%</b>	<b>(2.6)%</b>	<b>-</b>	<b>9.0%</b>

All figures in millions of dollars, except otherwise indicated

<sup>A</sup> Comparative figures have been restated to reflect the new reportable segments effective as of January 1, 2022

### Calculation of booking-to-revenue ratio

	Q3 2022				
	Engineering Services	Nuclear	O&M	Linxon	Total SNCL Services
Opening backlog	4,158.4	808.3	5,516.3	823.3	11,306.2
Plus:					
Contract bookings during the period	1,626.3	270.2	26.0	63.6	1,986.0
Backlog from a business combination during the period	-	0.3	-	-	0.3
Less:					
Revenues from contracts with customers recognized during the period	1,161.8	219.7	124.3	123.1	1,628.8
<b>Ending backlog</b>	<b>4,622.9</b>	<b>859.0</b>	<b>5,418.0</b>	<b>763.8</b>	<b>11,663.7</b>
<b>Booking-to-revenue ratio</b>	<b>1.40</b>	<b>1.23</b>	<b>0.21</b>	<b>0.52</b>	<b>1.22</b>

	Nine months ended September 30, 2022				
	Engineering Services	Nuclear	O&M	Linxon	Total SNCL Services
Opening backlog	3,769.0	834.9	5,705.4	974.2	11,283.5
Plus:					
Contract bookings during the period	4,259.9	696.0	78.2	216.8	5,250.9
Backlog from a business combination during the period	-	0.3	-	-	0.3
Less:					
Revenues from contracts with customers recognized during the period	3,405.9	672.1	365.6	427.3	4,870.9
<b>Ending backlog</b>	<b>4,622.9</b>	<b>859.0</b>	<b>5,418.0</b>	<b>763.8</b>	<b>11,663.7</b>
<b>Booking-to-revenue ratio</b>	<b>1.25</b>	<b>1.04</b>	<b>0.21</b>	<b>0.51</b>	<b>1.08</b>

All figures in millions of dollars, except otherwise indicated



### Calculation of net limited recourse and recourse debt to Adjusted EBITDA ratio

	September 30, 2022
Limited recourse debt	400.0
Recourse debt	1,581.3
Less: Cash and cash equivalents	482.6
<b>Net limited recourse and recourse debt</b>	<b>1,498.7</b>
Adjusted EBITDA (trailing 12 months)	453.1
<b>Net limited recourse and recourse debt to Adjusted EBITDA ratio</b>	<b>3.3</b>

All figures in millions of dollars, except otherwise indicated

### 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”, “likely”, “may”, “objective”, “outlook”, “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, project- or contract-specific cost reforecasts and claims provisions, 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 2021 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"). 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, matters relating to: (a) ongoing and additional impacts of the COVID-19 pandemic; (b) execution of the Company's "Pivoting to Growth Strategy" unveiled in September 2021; (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) supply chain disruptions; (l) joint ventures and partnerships; (m) information systems and data and compliance with privacy legislation; (n) competition; (o) professional liability or liability for faulty services; (p) monetary damages and penalties in connection with professional and engineering reports and opinions; (q) gaps in insurance coverage; (r) health and safety; (s) qualified personnel; (t) work stoppages, union negotiations and other labour matters; (u) extreme weather conditions and the impact of natural or other disasters and global health crises; (v) divestitures and the sale of significant assets; (w) intellectual property; (x) liquidity and financial position; (y) indebtedness; (z) impact of operating results and level of indebtedness on financial situation; (aa) security under the CDPQ Loan Agreement (as defined in the Company's 2021 Annual MD&A); (bb) dependence on subsidiaries to help repay indebtedness; (cc) dividends; (dd) post-employment benefit obligations, including pension-related obligations; (ee) working capital requirements; (ff) collection from customers; (gg) impairment of goodwill and other assets; (hh) the impact on the Company of legal and regulatory proceedings, investigations and litigation settlements; (ii) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-corruption and other government laws and regulations; (jj) reputation of the Company; (kk) inherent limitations to the Company's control framework; (ll) environmental laws and regulations; (mm) global economic conditions; (nn) inflation; (oo) fluctuations in commodity prices; and (pp) 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 2021 Annual MD&A and as updated in the first, second and third quarter 2022 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 written or oral forward-looking information or statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or



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*regulation. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.*

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The Company's unaudited condensed consolidated interim financial statements for the three-month and nine-month periods ended September 30, 2022, together with its MD&A for the corresponding periods, 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).