



## SNC-Lavalin Reports Second Quarter 2022 Results

### Q2 2022 Financial Highlights

(All results reflect comparisons to prior-year period of Q2 2021, except otherwise indicated)

- *SNCL Services revenue reached \$1.6 billion, up 4.2%, or 6.0% based on organic revenue growth<sup>(1)(5)</sup>*
  - *Engineering Services segment revenue up 6.4%, or 8.3% based on organic revenue growth<sup>(1)(5)</sup>*
- *SNCL Services Segment Adjusted EBIT of \$145.9 million, representing a 9.1% margin*
- *SNCL Services backlog as at June 30, 2022, totaled \$11.3 billion*
  - *Engineering Services segment backlog stood at a record high of \$4.2 billion, up 11.0%, with a strong increase in the United States*
- *LSTK Projects Segment Adjusted EBIT of negative \$36.6 million*
  - *Management remains confident that the cumulative potential financial risks to complete the LSTK projects should be contained in the previously disclosed \$300 million*
- *LSTK Projects backlog reduced by \$128.2 million or 13.4% from Q1 2022 to \$828.4 million*
  - *The two LSTK Ontario projects remain on track to be largely complete by the end of the year*
- *Net income from continuing operations attributable to SNC-Lavalin shareholders totaled \$1.6 million, or \$0.01 per diluted share, compared to net income of \$29.2 million, or \$0.17 per diluted share in Q2 2021, mainly driven by the expense related to the remediation agreement with the Quebec Crown Prosecutor's Office ("DPCP") regarding the Jacques Cartier Bridge charges*
- *Net cash used for operating activities of \$128.7 million*

### 2022 Outlook

- *Reaffirming financial outlook metrics for full year 2022, including full year SNCL Services organic revenue growth, Segment Adjusted EBIT margins and Engineering Services Segment Adjusted EBITDA margin targets, other than full year 2022 net cash from operating activities*
  - *2022 net cash from operating activities updated to between negative \$50 million and negative \$150 million (previously between \$0 million and \$100 million), primarily driven by the need to fund higher costs to complete the LSTK projects in advance of the timing of potential claim recoveries*



SNC • LAVALIN

**MONTREAL: August 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 second quarter ended June 30, 2022.

*“We experienced another period of strong execution during the second quarter in our SNCL Services line of business, with revenue organically increasing approximately 6% year-over-year,” said Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc. “Additionally, we continued to take strides in winding down our last LSTK projects, decreasing their backlog by 13% during the second quarter, which represents a 29% backlog reduction during the first half of 2022. Our experience in the first half of the year supports our continued confidence that our forecasted additional potential financial loss related to winding down our LSTK projects remains valid.”*

*“Our Pivoting to Growth strategy was developed to drive deliberate value creation for SNC-Lavalin through a focus on a few core markets with high growth potential where we have long-standing customer relationships and a focus on public sector entities that can withstand macroeconomic volatility. Our second quarter results demonstrated the success of this strategy as we achieved record high backlog in the United States and for Engineering Services overall, and successfully added additional personnel to support our growth. Performance in the SNCL Services line of business has remained resilient in the face of the current inflationary environment, and is well positioned to realize the potential of our unique end-to-end capabilities to deliver best-in-class services and products globally and locally,” added Mr. Edwards.*

## **Second 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**

	Q2 2022	Q2 2021	2022 <sup>A</sup>	2021 <sup>A</sup>
Revenue				
From PS&PM	1,857.6	1,778.0	3,729.3	3,576.0
From Capital	13.9	19.8	30.3	41.5
Total	1,871.5	1,797.8	3,759.6	3,617.5
<u>Attributable to SNC-Lavalin shareholders</u>				
Net income (loss) from continuing operations:				
From PS&PM	(0.4)	26.1	16.1	87.2
From Capital	2.0	3.1	10.2	9.8
Total	<b>1.6</b>	<b>29.2</b>	<b>26.3</b>	<b>96.9</b>
Diluted EPS from continuing operations:				
From PS&PM (\$)	(0.00)	0.15	0.09	0.50
From Capital (\$)	0.01	0.02	0.06	0.06
Total (\$)	<b>0.01</b>	<b>0.17</b>	<b>0.15</b>	<b>0.55</b>
Net income from discontinued operations	-	<b>16.5</b>	-	<b>21.8</b>
Net income	<b>1.6</b>	<b>45.7</b>	<b>26.3</b>	<b>118.8</b>
Net cash generated from (used for) operating activities	(128.7)	78.1	(262.7)	83.7
Backlog from continuing operations as at June 30 <sup>B</sup>				
SNCL Services			11,306.2	11,469.2
Capital			31.4	148.7
LSTK Projects			828.4	1,394.2
Total			12,166.1	13,012.2

**Non-IFRS Financial Highlights**

	Q2 2022	Q2 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>	53.8	53.8	93.2	137.2
Adjusted diluted EPS from PS&PM <sup>(1)(2)</sup> (\$)	0.31	0.31	0.53	0.78
Adjusted EBITDA from PS&PM <sup>(1)</sup>	127.9	148.9	240.5	313.0

All figures in millions of dollars, except otherwise indicated

Certain totals and subtotals may not reconcile due to rounding

<sup>A</sup> For the six-month period ended June 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**

	Q2 2022	Q2 2021 <sup>B</sup>	2022 <sup>A</sup>	2021 <sup>A,B</sup>
Segment revenue				
Engineering Services	1,128.7	1,061.2	2,266.9	2,110.8
Nuclear	221.0	234.7	453.1	463.8
O&M	104.8	104.4	241.3	246.0
Linxon	153.7	143.4	304.2	275.3
Total	1,608.2	1,543.7	3,265.5	3,095.8
Segment Adjusted EBIT				
Engineering Services	95.4	95.2	180.6	181.5
Nuclear	32.5	33.2	66.8	65.1
O&M	11.4	13.4	23.1	25.8
Linxon	6.5	7.3	2.0	13.4
Total	145.9	149.1	272.6	285.7
Segment Adjusted EBIT to segment revenue ratio	9.1%	9.7%	8.3%	9.2%
Backlog as at June 30				
Engineering Services			4,158.4	3,745.8
Nuclear			808.3	830.8
O&M			5,516.3	5,849.8
Linxon			823.3	1,042.7
Total			11,306.2	11,469.2

All figures in millions of dollars, except otherwise indicated

<sup>A</sup> For the six-month period ended June 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) continues to experience strong demand, benefitting from its global capabilities, unique end-to-end services, decarbonization and sustainable solutions, long-term client relationships and a strong public sector focus. During the second quarter, management continued to see demand growth across each of the core markets in which the Company operates — Canada, United Kingdom, United States.

- Q2 2022 revenue reached \$1.6 billion, up 4.2% compared to Q2 2021. SNCL Services had an organic revenue growth<sup>(1)(5)</sup> of 6.0% in Q2 2022 compared to Q2 2021.
  - Primarily driven by an organic revenue growth<sup>(1)(5)</sup> of 8.3% in Engineering Services, and 13.7% in Linxon.
- Q2 2022 Segment Adjusted EBIT was \$145.9 million, representing a margin of 9.1%.
  - Engineering Services Segment Adjusted EBIT of \$95.4 million represents a margin of 8.5%, slightly below the corresponding quarter last year, as Q2 2021 Segment Adjusted EBIT included the positive impact of settling a number of project final accounts.



- Engineering Services Segment Adjusted EBITDA to segment net revenue ratio<sup>(1)(6)</sup> of 15.0%.
    - Nuclear Segment Adjusted EBIT of \$32.5 million represents a margin of 14.7%.
    - O&M Segment Adjusted EBIT of \$11.4 million represents a margin of 10.9%.
    - Linxon Segment Adjusted EBIT of \$6.5 million represents a margin of 4.2%.
      - Linxon Segment Adjusted EBITDA to segment net revenue ratio<sup>(1)(7)</sup> of 5.9%.
- Backlog amounted to \$11.3 billion as at June 30, 2022, which included \$1.7 billion of bookings in Q2 2022, representing a 1.08 booking-to-revenue ratio<sup>(1)(3)</sup>.
  - Engineering Services backlog reached a record-high and totaled \$4.2 billion as at June 30, 2022, an increase of 11.0%, compared to June 30, 2021, which includes a new record-high for the United States. Bookings in Q2 2022 totaled \$1.4 billion, representing a 1.27 booking-to-revenue ratio<sup>(1)(3)</sup>.

### **LSTK Projects**

	Q2 2022	Q2 2021 <sup>B</sup>	2022 <sup>A</sup>	2021 <sup>A,B</sup>
Revenue	249.4	234.4	463.8	480.2
Segment Adjusted EBIT	(36.6)	(25.3)	(67.2)	(37.2)
Backlog decrease	128.2	202.4	338.5	443.9
Backlog as at June 30			828.4	1,394.2

*All figures in millions of dollars*

<sup>A</sup> For the six-month period ended June 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.

- The LSTK Projects segment backlog decreased by 13.4% during the quarter, as the progress on the Company's last remaining LSTK projects was partially offset by additional work from approved project scope changes. Backlog totaled \$828.4 million as at June 30, 2022, representing a 29.0% decrease compared to December 31, 2021 and a 40.6% decrease compared to June 30, 2021.
  - Despite the supply chain challenges and various labour and construction strikes in Ontario during the quarter, the two remaining Ontario LSTK projects have progressed well and remain on track to be largely completed by the end of the year.
- Q2 2022 Segment Adjusted EBIT was negative \$36.6 million, totaling negative \$67.2 million for the six-month period ended June 30, 2022.
  - Year-to-date, the Company recognized \$46 million in losses related to the completion of the LSTK projects (\$20 million in Q1 2022 and \$26 million in Q2 2022). Management



remains confident that the cumulative potential financial risks to complete the LSTK projects should be contained in the previously disclosed \$300 million\*.

- The balance of year-to-date negative Segment Adjusted EBIT mainly includes segment overhead costs needed to support these projects.
- The Company continues to vigorously pursue COVID-19 and other related 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

	Q2 2022	Q2 2021	2022 <sup>A</sup>	2021 <sup>A</sup>
Revenue	13.9	19.8	30.3	41.5
Segment Adjusted EBIT	10.9	16.4	23.3	35.1
Backlog as at June 30			31.4	148.7

All figures in millions of dollars

<sup>A</sup> For the six-month period ended June 30

The Q2 2022 Capital Segment Adjusted EBIT decrease was mainly due to the disposal of InPower BC G.P. (the John Hart Generating Station) to SNC-Lavalin Infrastructure Partners LP in February 2022 and a lower contribution from certain other Capital investments. No dividend was received from Highway 407 ETR in Q2 2022 and Q2 2021.

## Operating Cash Flow and Financial Position

- Net cash used for operating activities amounted to \$128.7 million in Q2 2022, compared to a net cash generated from operating activities of \$78.1 million in Q2 2021. The negative operating cash flows in Q2 2022 were mainly due to operating cash outflows related to the LSTK Projects, partially offset by operating cash inflows from SNCL Services.
- Net cash generated from operating activities in SNCL Services of \$94.1 million in Q2 2022.
- Cash and cash equivalents of \$567.4 million as at June 30, 2022.
- Recourse debt of \$1.4 billion and limited recourse debt of \$0.4 billion as at June 30, 2022.
- Net limited recourse and recourse debt to Adjusted EBITDA ratio<sup>(1)(4)</sup> of 2.8 as at June 30, 2022.



**SNC • LAVALIN**

- Extended the Company's primary corporate credit facilities, which now introduces a sustainability-linked framework to align with the Company's leading ESG initiatives.

### **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 September 1, 2022, to shareholders of record on August 18, 2022. This dividend is an "eligible dividend" for Canadian federal and provincial income tax purposes.

### **Second 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 second 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 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 080 8101 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 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 net revenue, both of which are non-IFRS financial measures.



### ***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 and Net limited recourse and recourse debt. 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 second 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 and 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**

	Q2 2022				Q2 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>1.6</b>	<b>0.01</b>			<b>29.2</b>	<b>0.17</b>
Restructuring and transformation costs	13.4	(2.9)	10.4		15.2	(3.8)	11.3	
Amortization of intangible assets related to business combinations	20.6	(4.2)	16.4		20.5	(3.3)	17.2	
Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	-	-	-		(0.9)	-	(0.9)	
DPCP Remediation Agreement expense	27.4	-	27.4		-	-	-	
Total adjustments	61.4	(7.1)	54.3	0.31	34.7	(7.1)	27.6	0.16
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>			<b>55.8</b>	<b>0.32</b>			<b>56.8</b>	<b>0.32</b>
<b>Net income attributable to SNC-Lavalin shareholders from Capital</b>			<b>2.0</b>	<b>0.01</b>			<b>3.1</b>	<b>0.02</b>
Gain on disposal of a Capital investment	-	-	-		-	-	-	
Total adjustments	-	-	-	-	-	-	-	-
<b>Adjusted net income attributable to SNC-Lavalin shareholders from Capital (non-IFRS)</b>			<b>2.0</b>	<b>0.01</b>			<b>3.1</b>	<b>0.02</b>
<b>Adjusted net income attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>			<b>53.8</b>	<b>0.31</b>			<b>53.8</b>	<b>0.31</b>



	Six months ended June 30, 2022				Six months ended June 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>26.3</b>	<b>0.15</b>			<b>96.9</b>	<b>0.55</b>
Restructuring and transformation costs	20.1	(4.5)	15.6		20.1	(4.9)	15.1	
Amortization of intangible assets related to business combinations	42.9	(8.8)	34.1		43.8	(7.5)	36.3	
Gain on disposal of a Capital investment	(4.3)	(0.1)	(4.4)		-	-	-	
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	86.1	(13.5)	72.6	0.41	62.5	(12.5)	50.0	0.29
<b>Adjusted net income attributable to SNC-Lavalin shareholders (non-IFRS)</b>			<b>99.0</b>	<b>0.56</b>			<b>147.0</b>	<b>0.84</b>
<b>Net income attributable to SNC-Lavalin shareholders from Capital</b>			10.2	0.06			9.8	0.06
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>5.8</b>	<b>0.03</b>			<b>9.8</b>	<b>0.06</b>
<b>Adjusted net income attributable to SNC-Lavalin shareholders from PS&amp;PM (non-IFRS)</b>			<b>93.2</b>	<b>0.53</b>			<b>137.2</b>	<b>0.78</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**

	Q2 2022			Q2 2021		
	From PS&PM	From Capital	Total	From PS&PM	From Capital	Total
<b>Net income from continuing operations</b>	<b>1.5</b>	<b>2.0</b>	<b>3.5</b>	<b>29.3</b>	<b>3.1</b>	<b>32.3</b>
Net financial expenses	19.3	0.8	20.2	21.7	4.3	25.9
Income taxes	2.4	1.1	3.5	20.1	2.0	22.2
<b>EBIT</b>	<b>23.2</b>	<b>3.9</b>	<b>27.1</b>	<b>71.1</b>	<b>9.4</b>	<b>80.4</b>
Depreciation and amortization	43.3	-	43.3	43.1	-	43.1
Amortization of intangible assets related to business combinations	20.6	-	20.6	20.5	-	20.5
<b>EBITDA</b>	<b>87.1</b>	<b>3.9</b>	<b>91.0</b>	<b>134.6</b>	<b>9.4</b>	<b>144.0</b>
Restructuring and transformation costs	13.4	-	13.4	15.2	-	15.2
Gain on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	-	-	-	(0.9)	-	(0.9)
DPCP Remediation Agreement expense	27.4	-	27.4	-	-	-
<b>Adjusted EBITDA</b>	<b>127.9</b>	<b>3.9</b>	<b>131.8</b>	<b>148.9</b>	<b>9.4</b>	<b>158.3</b>



	Six months ended June 30, 2022			Six months ended June 30, 2021		
	From PS&PM	From Capital	Total	From PS&PM	From Capital	Total
<b>Net income from continuing operations</b>	<b>15.2</b>	<b>10.2</b>	<b>25.4</b>	<b>91.2</b>	<b>9.8</b>	<b>101.0</b>
Net financial expenses	44.0	1.8	45.8	48.7	8.5	57.1
Income taxes	5.9	1.6	7.4	23.0	2.8	25.8
<b>EBIT</b>	<b>65.0</b>	<b>13.5</b>	<b>78.6</b>	<b>162.9</b>	<b>21.0</b>	<b>183.9</b>
Depreciation and amortization	85.1	-	85.1	87.7	-	87.7
Amortization of intangible assets related to business combinations	42.9	-	42.9	43.8	-	43.8
<b>EBITDA</b>	<b>193.0</b>	<b>13.6</b>	<b>206.5</b>	<b>294.3</b>	<b>21.1</b>	<b>315.4</b>
Restructuring and transformation costs	20.1	-	20.1	20.1	-	20.1
Gain on disposal of a Capital investment	-	(4.3)	(4.3)	-	-	-
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>240.5</b>	<b>9.2</b>	<b>249.8</b>	<b>313.0</b>	<b>21.1</b>	<b>334.1</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

	Q2 2022	Six months ended June 30, 2022
Revenue – Engineering Services	1,128.7	2,266.9
Less: Direct costs for sub-contractors and other direct expenses that are recoverable directly from clients – Engineering Services	289.1	544.5
<b>Segment net revenue – Engineering Services</b>	<b>839.6</b>	<b>1,722.4</b>
Segment Adjusted EBITDA – Engineering Services	125.7	240.6
<b>Segment Adjusted EBITDA to segment net revenue ratio – Engineering Services</b>	<b>15.0%</b>	<b>14.0%</b>



	Q2 2022	Six months ended June 30, 2022
Revenue – Linxon	153.7	304.2
Less: Costs of equipment provided by the minority shareholder of Linxon	31.2	58.1
<b>Segment net revenue – Linxon</b>	<b>122.5</b>	<b>246.1</b>
Segment Adjusted EBITDA – Linxon	7.3	4.2
<b>Segment Adjusted EBITDA to segment net revenue ratio – Linxon</b>	<b>5.9%</b>	<b>1.7%</b>

All figures in millions of dollars, except otherwise indicated

### Calculation of organic revenue growth (contraction)

	Q2 2022 Revenue	Q2 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	1,128.7	1,061.2	67.5	(18.8)	-	86.3
Nuclear	221.0	234.7	(13.6)	(1.3)	-	(12.3)
O&M	104.8	104.4	0.4	1.3	-	(0.9)
Linxon	153.7	143.4	10.3	(8.2)	-	18.5
<b>Total – SNCL Services</b>	<b>1,608.2</b>	<b>1,543.7</b>	<b>64.6</b>	<b>(27.0)</b>	<b>-</b>	<b>91.6</b>

	Q2 2022 Revenue	Q2 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	1,128.7	1,061.2	6.4%	(1.9)%	-	8.3%
Nuclear	221.0	234.7	(5.8)%	(0.5)%	-	(5.3)%
O&M	104.8	104.4	0.4%	1.2%	-	(0.8)%
Linxon	153.7	143.4	7.2%	(6.5)%	-	13.7%
<b>Total – SNCL Services</b>	<b>1,608.2</b>	<b>1,543.7</b>	<b>4.2%</b>	<b>(1.9)%</b>	<b>-</b>	<b>6.0%</b>

	Six months ended June 30, 2022 Revenue	Six months ended June 30, 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	2,266.9	2,110.8	156.1	(33.3)	-	189.4
Nuclear	453.1	463.8	(10.7)	(2.9)	-	(7.8)
O&M	241.3	246.0	(4.7)	1.4	-	(6.1)
Linxon	304.2	275.3	28.9	(16.0)	-	44.9
<b>Total – SNCL Services</b>	<b>3,265.5</b>	<b>3,095.8</b>	<b>169.6</b>	<b>(50.8)</b>	<b>-</b>	<b>220.5</b>



	Six months ended June 30, 2022 Revenue	Six months ended June 30, 2021 <sup>A</sup> Revenue	Variance	Foreign exchange impact	Acquisition / Divestiture impact	Organic revenue growth (contraction)
Engineering Services	2,266.9	2,110.8	7.4%	(1.7)%	-	9.1%
Nuclear	453.1	463.8	(2.3)%	(0.6)%	-	(1.7)%
O&M	241.3	246.0	(1.9)%	0.5%	-	(2.5)%
Linxon	304.2	275.3	10.5%	(6.8)%	-	17.3%
<b>Total – SNCL Services</b>	<b>3,265.5</b>	<b>3,095.8</b>	<b>5.5%</b>	<b>(1.8)%</b>	<b>-</b>	<b>7.2%</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

Q2 2022					
	Engineering Services	Nuclear	O&M	Linxon	Total SNCL Services
Opening backlog	3,861.1	802.2	5,598.4	920.4	11,182.1
Plus: Contract bookings during the period	1,414.4	226.6	22.7	56.6	1,720.2
Less: Revenues from contracts with customers recognized during the period	1,117.1	220.5	104.8	153.7	1,596.1
<b>Ending backlog</b>	<b>4,158.4</b>	<b>808.3</b>	<b>5,516.3</b>	<b>823.3</b>	<b>11,306.2</b>
<b>Booking-to-revenue ratio</b>	<b>1.27</b>	<b>1.03</b>	<b>0.22</b>	<b>0.37</b>	<b>1.08</b>

Six months ended June 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	2,633.6	425.8	52.2	153.3	3,264.9
Less: Revenues from contracts with customers recognized during the period	2,244.2	452.4	241.3	304.2	3,242.1
<b>Ending backlog</b>	<b>4,158.4</b>	<b>808.3</b>	<b>5,516.3</b>	<b>823.3</b>	<b>11,306.2</b>
<b>Booking-to-revenue ratio</b>	<b>1.17</b>	<b>0.94</b>	<b>0.22</b>	<b>0.50</b>	<b>1.01</b>

All figures in millions of dollars, except otherwise indicated



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

	June 30, 2022
Limited recourse debt	400.0
Recourse debt	1,414.9
Less: Cash and cash equivalents	567.4
<b>Net limited recourse and recourse debt</b>	<b>1,247.5</b>
Adjusted EBITDA (trailing 12 months)	440.6
<b>Net limited recourse and recourse debt to Adjusted EBITDA ratio</b>	<b>2.8</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)



SNC • LAVALIN

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

## For More Information:

### Media

Harold Fortin  
Senior Director, External Communications  
514-393-8000 ext. 56127  
[media@snclavalin.com](mailto:media@snclavalin.com)

### Investors

Denis Jasmin  
Vice President, Investor Relations  
514-393-8000 ext. 57553  
[denis.jasmin@snclavalin.com](mailto:denis.jasmin@snclavalin.com)



**SNC • LAVALIN**

The Company's unaudited condensed consolidated interim financial statements for the three-month and six-month periods ended June 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).