



## Aecon reports third quarter 2024 results

TORONTO, Oct. 31, 2024 -- Aecon Group Inc. (TSX: ARE) ("Aecon" or the "Company") today reported results for the third quarter of 2024.

"With backlog of \$6.0 billion and strong demand for Aecon's services, Aecon is well-positioned to achieve revenue growth commencing in 2025 and over the next few years," said Jean-Louis Servranckx, President and Chief Executive Officer, Aecon Group Inc. "We continue to be focused on embracing opportunities linked to the energy transition and in select U.S. and international markets, while pursuing and delivering the majority of our work in established markets and under more collaborative project delivery models. We are also focused on making strategic investments in our operations to support access to new markets and increase operational effectiveness."

### HIGHLIGHTS

All quarterly financial information contained in this news release is unaudited.

- Revenue for the three months ended September 30, 2024 of \$1,275 million was \$36 million, or 3%, higher compared to the same period in 2023.
- Operating profit of \$80.9 million (operating margin<sup>(3)</sup> of 6.3%) compared to operating profit of \$140.1 million for the same period in 2023 (operating margin of 11.3%). Lower period-over-period operating profit was primarily due to a gain on the sale of a 49.9% interest in the Bermuda International Airport concessionaire ("Skyport") of \$139.0 million in the third quarter of 2023.
- Adjusted EBITDA<sup>(1)(2)</sup> of \$126.9 million for the three months ended September 30, 2024 (Adjusted EBITDA margin<sup>(3)</sup> of 10.0%) compared to Adjusted EBITDA of \$32.0 million (Adjusted EBITDA margin of 2.6%) in the same period in 2023. The increase in the quarter was largely due to an improvement from the four fixed priced legacy projects which recognized negative gross profit related to two of the four projects in the third quarter of 2023 of \$91.1 million compared to \$nil in the third quarter of 2024. These four fixed price legacy projects are discussed in Section 5 "Recent Developments" and Section 10.2 "Contingencies" in the September 30, 2024 MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A.
- Profit Attributable to Shareholders<sup>(1)(2)</sup> of \$56.5 million (diluted Earnings Per Share<sup>(1)(2)</sup> of \$0.85) for the three months ended September 30, 2024 compared to Profit Attributable to Shareholders of \$133.4 million (diluted Earnings Per Share of \$1.63) in the same period in 2023.
- Adjusted Profit Attributable to Shareholders<sup>(1)(2)</sup> of \$57.5 million (diluted Adjusted Earnings Per Share<sup>(1)(2)</sup> of \$0.86) for the three months ended September 30, 2024 compared to Adjusted Profit Attributable to Shareholders of \$133.7 million (diluted Adjusted Earnings Per Share of \$1.63) in the same period in 2023.
- Reported backlog at September 30, 2024 of \$5,980 million compared to backlog of \$6,202 million at September 30, 2023. New contract awards of \$1,069 million were booked in the third quarter of 2024 compared to \$591 million in the same period in 2023.
- The Steam Generator Replacement Team, a consortium in which Aecon holds a 50% interest, was awarded a \$700 million contract by Bruce Power to replace steam generators at Units 5, 7 and 8 of the Bruce Nuclear Generating Station in Ontario.
- South Fraser Station Partners, a consortium in which Aecon leads and holds a 33.3% interest, reached financial close for the \$928 million stations contract on the Surrey Langley SkyTrain Project.
- Subsequent to quarter-end:
  - Flatiron-Aecon Joint Venture, a consortium in which Aecon holds a 40% interest, executed a contract with the U.S. Army Corps of Engineers ("USACE") to deliver the Howard A. Hanson Dam Additional Water Storage Fish Passage Facility project in Washington State under an Integrated Design and Construction contract model. The collaborative project begins with pre-construction services valued at US\$16 million, with the construction phase expected to commence in late 2025 to early 2026. The USACE announced that the total contract price is valued at US\$657 million.
  - On October 28, 2024, Aecon announced it has entered into a definitive purchase agreement to acquire United Engineers & Constructors Inc. ("United"), a nuclear and conventional power contractor headquartered in New Jersey for a purchase price of US\$33 million (the "Transaction"), payable in cash at closing. United's management and operational teams will join Aecon upon closing of the Transaction, which is subject to customary adjustments and closing conditions, including obtaining all necessary regulatory approvals.

### CONSOLIDATED FINANCIAL HIGHLIGHTS

\$ millions (except per share amounts)	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023

<b>Revenue</b>	<b>\$ 1,275.3</b>	<b>\$ 1,239.6</b>	<b>\$ 2,975.7</b>	<b>\$ 3,513.7</b>
Gross profit	150.4	45.7	75.3	157.7
Marketing, general and administrative expense	(55.8)	(28.7)	(156.1)	(126.0)
Income from projects accounted for using the equity method	5.8	5.2	19.6	13.3
Other income	3.5	138.2	33.2	220.9
Depreciation and amortization	(23.0)	(20.3)	(61.6)	(64.4)
<b>Operating profit (loss)</b>	<b>80.9</b>	<b>140.1</b>	<b>(89.6)</b>	<b>201.3</b>
Finance income	1.4	2.3	6.7	5.5
Finance cost	(4.5)	(16.6)	(16.8)	(49.6)
<b>Profit (loss) before income taxes</b>	<b>77.8</b>	<b>125.8</b>	<b>(99.7)</b>	<b>157.2</b>
Income tax (expense) recovery	(21.3)	7.6	26.1	(5.0)
<b>Profit (loss)</b>	<b>56.5</b>	<b>133.4</b>	<b>(73.6)</b>	<b>152.2</b>
Non-controlling interests	-	-	-	-
<b>Profit (loss) attributable to shareholders</b>	<b>\$ 56.5</b>	<b>\$ 133.4</b>	<b>\$ (73.6)</b>	<b>\$ 152.2</b>
<b>Gross profit margin<sup>(4)</sup></b>	<b>11.8%</b>	<b>3.7%</b>	<b>2.5%</b>	<b>4.5%</b>
<b>MG&amp;A as a percent of revenue<sup>(4)</sup></b>	<b>4.4%</b>	<b>2.3%</b>	<b>5.2%</b>	<b>3.6%</b>
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>\$ 126.9</b>	<b>\$ 32.0</b>	<b>\$ 6.3</b>	<b>\$ 73.2</b>
<b>Adjusted EBITDA margin<sup>(3)</sup></b>	<b>10.0%</b>	<b>2.6%</b>	<b>0.2%</b>	<b>2.1%</b>
<b>Operating margin<sup>(4)</sup></b>	<b>6.3%</b>	<b>11.3%</b>	<b>(3.0)%</b>	<b>5.7%</b>
<b>Adjusted profit (loss) attributable to shareholders<sup>(2)</sup></b>	<b>\$ 57.5</b>	<b>\$ 133.7</b>	<b>\$ (78.0)</b>	<b>\$ 153.0</b>
<b>Earnings (loss) per share – basic</b>	<b>\$ 0.90</b>	<b>\$ 2.16</b>	<b>\$ (1.18)</b>	<b>\$ 2.47</b>
<b>Earnings (loss) per share – diluted</b>	<b>\$ 0.85</b>	<b>\$ 1.63</b>	<b>\$ (1.18)</b>	<b>\$ 1.94</b>
<b>Adjusted earnings (loss) per share – basic<sup>(2)</sup></b>	<b>\$ 0.92</b>	<b>\$ 2.17</b>	<b>\$ (1.25)</b>	<b>\$ 2.48</b>
<b>Adjusted earnings (loss) per share – diluted<sup>(2)</sup></b>	<b>\$ 0.86</b>	<b>\$ 1.63</b>	<b>\$ (1.25)</b>	<b>\$ 1.95</b>
<b>Backlog (at end of period)</b>			<b>\$ 5,980</b>	<b>\$ 6,202</b>

(1) This press release presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company's performance (GAAP refers to Canadian Generally Accepted Accounting Principles). Further details on these measures and ratios are included in the "Non-GAAP and Supplementary Financial Measures" and "Reconciliations and Calculations" sections of this press release.

(2) This is a non-GAAP financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" and "Reconciliations and Calculations" sections of this press release for more information on each non-GAAP financial measure.

(3) This is a non-GAAP ratio. Refer to the "Non-GAAP and Supplementary Financial Measures" section of this press release for more information on each non-GAAP ratio.

(4) This is a supplementary financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" section of this press release for more information on each supplementary financial measure.

Revenue for the three months ended September 30, 2024 of \$1,275 million was \$36 million, or 3%, higher compared to the third quarter of 2023. In the Construction segment, revenue was higher by \$57 million driven by increases in nuclear (\$99 million), civil (\$51 million), and utilities operations (\$24 million), partially offset by lower revenue in industrial (\$108 million) and urban transportation solutions (\$9 million). In the Concessions segment, lower revenue of \$23 million for the three months ended September 30, 2024 was primarily due to the use of the equity method of accounting in 2024 for Aecon's 50.1% retained interest in the Bermuda International Airport concessionaire ("Skyport") following the sale of a 49.9% interest in Skyport in the third quarter of 2023. Intersegment revenue eliminations decreased by \$2 million due to lower revenue between the Construction and Concessions segments.

Operating profit of \$80.9 million for the three months ended September 30, 2024 decreased by \$59.2 million compared to an operating profit of \$140.1 million in the same period of 2023.

Lower period-over-period operating profit was largely driven by a decrease in other income of \$134.7 million compared to the same period in 2023. This decrease was primarily due to the period-over-period impact of a gain from the sale of a 49.9% interest in Skyport of \$139.0 million recognized in the third quarter of 2023. This decrease was partially offset in 2024 by higher period-over-period gains on the sale of property, equipment, and investments of \$3.2 million.

Favourably impacting operating profit in the third quarter of 2024 was higher gross profit of \$104.7 million. In the Construction segment, gross profit increased period-over-period by \$118.2 million. This increase was largely due to an improvement from the four fixed priced legacy projects which recognized negative gross profit related to two of the four fixed priced legacy projects in the third quarter of 2023 of \$91.1 million compared to \$nil in the third quarter of 2024. These four fixed price legacy projects are discussed in Section 5 "Recent Developments" and Section 10.2 "Contingencies" in the Company's September 30, 2024 Management's Discussion and Analysis ("MD&A"), and Section 13 "Risk Factors" in the 2023 Annual MD&A. Other than the impact of these fixed price legacy projects, higher gross profit in the balance of the Construction segment in the third quarter

of 2024 was primarily due to higher volume and increased gross profit margin in nuclear and utilities operations, and higher gross profit margin in urban transportation solutions and industrial, partially offset by lower gross profit margin in civil operations. In the Concessions segment, gross profit decreased by \$13.3 million, primarily from the use of the equity method of accounting in 2024 for Aecon's 50.1% retained interest in Skyport following the sale of a 49.9% interest in this project in the third quarter of 2023.

Marketing, general and administrative expense ("MG&A") for the three months ended September 30, 2024 increased by \$27.1 million compared to the same period in 2023. Higher MG&A in the third quarter of 2024 was primarily due to higher personnel costs reflecting more typical levels in MG&A, ongoing investments to support growth, particularly in utilities operations with the expansion of its U.S. operations including from the Xtreme acquisition in 2024, as well as from higher acquisition related transaction costs (\$5.6 million). MG&A as a percentage of revenue for the third quarter increased to 4.4% in 2024 from 2.3% in 2023.

Reported backlog at September 30, 2024 of \$5,980 million compares to backlog of \$6,157 million at December 31, 2023 and \$6,202 million at September 30, 2023. New contract awards of \$1,069 million were booked in the third quarter of 2024 compared to \$591 million in the same period in 2023.

## REPORTING SEGMENTS

Aecon reports its financial performance on the basis of two segments: Construction and Concessions, which are described in the Company's September 30, 2024 MD&A.

## CONSTRUCTION SEGMENT

### Financial Highlights

\$ millions	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Revenue	\$ 1,272.7	\$ 1,215.4	\$ 2,968.0	\$ 3,445.3
Gross profit	\$ 150.8	\$ 32.5	\$ 77.5	\$ 125.8
Adjusted EBITDA <sup>(1)</sup>	\$ 114.1	\$ 16.5	\$ (30.8)	\$ 34.4
Operating profit (loss)	\$ 89.5	\$ 1.3	\$ (88.0)	\$ 10.0
Gross profit margin <sup>(3)</sup>	11.8%	2.7%	2.6%	3.7%
Adjusted EBITDA margin <sup>(2)</sup>	9.0%	1.4%	(1.0)%	1.0%
Operating margin <sup>(3)</sup>	7.0%	0.1%	(3.0)%	0.3%
Backlog (at end of period)			\$ 5,872	\$ 6,100

(1) This is a non-GAAP financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" and "Reconciliations and Calculations" sections of this press release for more information on each non-GAAP financial measure.

(2) This is a non-GAAP ratio. Refer to the "Non-GAAP and Supplementary Financial Measures" and "Reconciliations and Calculations" sections of this press release for more information on each non-GAAP ratio.

(3) This is a supplementary financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" section of this press release for more information on each supplementary financial measure.

Revenue in the Construction segment for the three months ended September 30, 2024 of \$1,273 million was \$57 million, or 5%, higher compared to the same period in 2023. Revenue was higher in nuclear operations (\$99 million) from an increased volume of refurbishment work at nuclear generating stations located in Ontario and the U.S., in civil operations (\$51 million) from a higher volume of major projects and roadbuilding construction work in western Canada, and in utilities operations (\$24 million) from a higher volume of electrical transmission work driven by the U.S. operations following the acquisition of Xtreme in the third quarter of 2024 and from an increase in battery energy storage system work. These increases were partially offset by lower revenue in industrial operations (\$108 million) driven primarily by decreased activity on mainline pipeline work following the achievement of substantial completion on a large project in the third quarter of 2023, which offset a higher volume of field construction work primarily at wastewater treatment and industrial facilities in western Canada, and in urban transportation solutions (\$9 million) primarily from a decrease in light rail transit ("LRT") work in Ontario and Québec as three LRT projects near completion.

Operating profit in the Construction segment of \$89.5 million in the three months ended September 30, 2024 compares to an operating profit of \$1.3 million in the same period in 2023, for an increase in operating profit of \$88.2 million. The largest driver of the increase in operating profit was lower negative gross profit from the four fixed price legacy projects of \$91.1 million (gross profit of \$nil in the third quarter of 2024 compared to negative gross profit of \$91.1 million in the third quarter of 2023). These four fixed price legacy projects are discussed in Section 5 "Recent Developments" and Section 10.2 "Contingencies" in

the September 30, 2024 MD&A, and Section 13 “Risk Factors” in the 2023 Annual MD&A. In addition to the impact of these fixed price legacy projects in the third quarter of 2023, operating profit was lower in the balance of the Construction segment by \$2.9 million. This decrease occurred largely in civil operations from lower gross profit margin, as well as from an increase in acquisition related transaction costs that were expensed in the period (\$5.6 million mostly in utilities) and from an increase in amortization expense of \$2.9 million in utilities related to acquisition-related intangible assets from the Xtreme transaction in the third quarter of 2024. These decreases offset higher operating profit in nuclear operations from higher volume and gross profit margin, in urban transportation solutions due to higher gross profit margin, and in industrial from higher gains on the sale of equipment (\$5.2 million).

Construction segment backlog at September 30, 2024 was \$5,872 million, which was \$228 million lower than the same time last year. Backlog decreased period-over-period in urban transportation solutions (\$122 million), utilities (\$89 million), nuclear (\$23 million), and civil operations (\$15 million), and increased in industrial operations (\$21 million). New contract awards totaled \$1,063 million in the third quarter of 2024 compared to \$563 million in the same period last year.

## CONCESSIONS SEGMENT

### Financial Highlights

\$ millions	Three months ended		Nine months ended	
	September 30		September 30	
	2024	2023	2024	2023
Revenue	\$ 2.6	\$ 26.3	\$ 7.8	\$ 70.6
Gross profit	\$ (0.3)	\$ 13.1	\$ (2.0)	\$ 31.5
Income from projects accounted for using the equity method	\$ 5.9	\$ 4.8	\$ 20.0	\$ 13.2
Adjusted EBITDA <sup>(1)</sup>	\$ 22.3	\$ 27.4	\$ 69.5	\$ 70.1
Operating profit	\$ 4.7	\$ 152.7	\$ 22.6	\$ 169.5
Backlog (at end of period)			\$ 108	\$ 102

(1) This is a non-GAAP financial measure. Refer to the “Non-GAAP and Supplementary Financial Measures” and “Reconciliations and Calculations” sections of this press release for more information on each non-GAAP financial measure.

Aecon currently holds a 50.1% interest in Skyport, the concessionaire responsible for the Bermuda airport’s operations, maintenance, and commercial functions, and the entity that will manage and coordinate the overall delivery of the Bermuda International Airport Redevelopment Project over a 30-year concession term that commenced in 2017. Aecon’s participation in Skyport is accounted for using the equity method. On September 20, 2023, Aecon sold a 49.9% interest in Skyport to Connor, Clark & Lunn Infrastructure with Aecon retaining the management contract for the airport. Prior to this transaction, Aecon’s participation in Skyport was 100% consolidated and, as such, was accounted for in the consolidated financial statements by reflecting, line by line, the assets, liabilities, revenue and expenses of Skyport. Aecon’s concession participation in the Eglinton Crosstown LRT, Finch West LRT, Gordie Howe International Bridge, Waterloo LRT, and the GO Expansion On-Corridor Works projects are joint ventures that are also accounted for using the equity method.

For the three months ended September 30, 2024, revenue in the Concessions segment of \$3 million, was \$23 million lower compared to the same period in 2023. Lower revenue in the period was primarily due to lower reported revenue from Skyport due to the commencement of the equity method of accounting for the project following the above noted sale of a 49.9% interest in Skyport in the third quarter of 2023.

Operating profit in the Concessions segment of \$4.7 million for the three months ended September 30, 2024 was lower by \$148.0 million compared to the same period in 2023. The lower operating profit was primarily due to gains related to the sale in the third quarter of 2023 of a 49.9% interest in the Bermuda International Airport concessionaire which resulted in a period-over-period decrease in gains on sale of \$139.0 million. In the balance of the Concessions segment, operating profit for the three-month period ended September 30, 2024 decreased by \$8.9 million. Reported operating results from the Skyport operations in 2024 were also negatively impacted by the 49.9% reduction in Aecon’s ownership interest in Skyport and from the use of the equity method of accounting in 2024 where operating results for Aecon’s interest in Skyport were also reported net of financing costs and income taxes, which contributed to lower period-over-period operating profit results from the ongoing operations at Skyport. Operating profit in the segment was also impacted in the period by a decrease in management and development fees from the balance of the concessions operations.

Except for Operations and Maintenance (“O&M”) activities under contract for the next five years and that can be readily quantified, Aecon does not include in its reported backlog expected revenue from concession agreements. As such, while Aecon expects future revenue from its concession assets, no concession backlog, other than from such O&M activities for the next five years, is reported.

## OUTLOOK

Aecon's goal is to build a resilient company through a balanced and diversified work portfolio across sectors, markets, geographies, project types, sizes, and delivery models while enhancing critical execution capabilities and project selection to play to its strengths. With backlog of \$6.0 billion at the end of the third quarter of 2024, recurring revenue programs continuing to see solid demand, and a strong bid pipeline, Aecon believes it is positioned to achieve further revenue growth commencing in 2025 and over the next few years and is focused on achieving improved profitability and margin predictability.

In the Construction segment, demand for Aecon's services across Canada, as well as increasingly in select U.S. and international markets, continues to be strong. Development phase work is ongoing in consortiums in which Aecon is a participant to deliver several significant long-term progressive design-build projects of various sizes. These projects are being delivered using progressive design-build or alliance models and are expected to move into the construction phase in 2025 and 2026. None of the anticipated work from these projects is yet reflected in backlog.

In the Concessions segment, there are a number of opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months. These include projects that support a collective focus on sustainability and the transition to a net-zero economy, underpinned by trends associated with aging infrastructure, mobility, connectivity, and population growth. In the first quarter of 2024, an Aecon-led consortium was selected by the U.S. Virgin Islands Port Authority to redevelop the Cyril E. King Airport in St. Thomas and the Henry E. Rohlsen Airport in St. Croix under a collaborative Design, Build, Finance, Operate and Maintain Public-Private Partnership model. The GO Expansion On-Corridor Works project includes an operations and maintenance component over a 23-year term commencing January 1, 2025.

Global and Canadian economic conditions impacting inflation, interest rates, and overall supply chain efficiency have stabilized, and these factors have largely been and will continue to be reflected in the pricing and commercial terms of the Company's recent and prospective project awards and bids. Results have been negatively impacted by four legacy projects in recent periods, undermining positive profitability trends in the balance of Aecon's business. Until the balance of these projects is complete and related claims have been resolved, there is a risk that this could also occur in future periods – see Section 5 "Recent Developments" and Section 10.2 "Contingencies" in this MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A regarding the risk on certain large fixed price legacy projects entered into in 2018 or earlier by joint ventures in which Aecon is a participant.

Revenue in 2024 will be impacted by the sales of Aecon Transportation East ("ATE") and a 49.9% interest in Skyport completed in 2023, the substantial completion of several large projects in 2023, the four legacy projects, and major projects currently in the development phase by consortiums in which Aecon is a participant being delivered using the progressive design-build or alliance models which are expected to move into the construction phase in 2025 and 2026.

The completion and satisfactory resolution of claims on the remaining three legacy projects with the respective clients remains a critical focus for the Company and its partners. Aecon is also focused on making strategic investments in its operations to support access to new markets and increase operational effectiveness.

## CONSOLIDATED RESULTS

The consolidated results for the three and nine months ended September 30, 2024 and 2023 are available at the end of this news release.

## CONSOLIDATED BALANCE SHEET

<b>\$ thousands</b>	<b>September 30</b>	<b>December 31</b>
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 506,077	\$ 645,784
Other current assets	1,940,229	1,827,472
Property, plant and equipment	342,125	251,899
Other long-term assets	545,574	470,473
<b>Total Assets</b>	<b>\$ 3,334,005</b>	<b>\$ 3,195,628</b>
Current portion of long-term debt - recourse	\$ 43,913	\$ 42,608
Preferred Shares of Aecon Utilities	154,870	157,110
Other current liabilities	1,851,557	1,583,549
Long-term debt - recourse	104,310	106,770
Other long-term liabilities	217,109	241,265
Total Equity	962,246	1,064,326
<b>Total Liabilities and Equity</b>	<b>\$ 3,334,005</b>	<b>\$ 3,195,628</b>

## CONFERENCE CALL

A conference call and live webcast has been scheduled for 9 a.m. (Eastern Time) on Friday, November 1, 2024. A live webcast of the conference call can be accessed using this [link](#) and will be available at [www.aecon.com/InvestorCalendar](http://www.aecon.com/InvestorCalendar). Participants

can also dial-in to the conference call and pre-register using this [link](#). After registering, an email will be sent, including dial-in details and a unique access code required to join the live call. Please ensure you have registered at least 15 minutes prior to the conference call time.

An accompanying presentation of the third quarter 2024 financial results will also be available after market close on October 31, 2024 at [www.aecon.com/investing](http://www.aecon.com/investing). For those unable to attend, a replay will be available within one hour following the live webcast and conference call at the same webcast link above.

## ABOUT AECON

Aecon Group Inc. (TSX: ARE) is a North American construction and infrastructure development company with global experience. Aecon delivers integrated solutions to private and public-sector clients through its Construction segment in the Civil, Urban Transportation, Nuclear, Utility and Industrial sectors, and provides project development, financing, investment, management, and operations and maintenance services through its Concessions segment. Join our online community on X, LinkedIn, Facebook, and Instagram @AeconGroupInc.

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## NON-GAAP AND SUPPLEMENTARY FINANCIAL MEASURES

The press release presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company's performance ("GAAP" refers to Generally Accepted Accounting Principles under IFRS). These measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Throughout this press release, the following terms are used, which do not have a standardized meaning under GAAP.

### Non-GAAP Financial Measures

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash flow of the Company; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the financial statements of the Company; and (d) is not a ratio.

Non-GAAP financial measures presented and discussed in this press release are as follows:

- **"Adjusted EBITDA"** represents operating profit (loss) adjusted to exclude depreciation and amortization, the gain (loss) on sale of assets and investments, costs related to business acquisitions including: costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS; costs associated with the remediation of properties sold; and net income (loss) from projects accounted for using the equity method, but including "Equity Project EBITDA" from projects accounted for using the equity method (refer to the "Reconciliations and Calculations" section of this press release for a quantitative reconciliation to the most comparable financial measure). The most directly comparable measures calculated in accordance with IFRS are operating profit and profit (loss) attributable to shareholders.
- **"Equity Project EBITDA"** represents Aecon's proportionate share of the earnings or losses from projects accounted for using the equity method before depreciation and amortization, finance income, finance cost and income tax expense (recovery) (refer to the "Reconciliations and Calculations" section of this press release for a quantitative reconciliation to the most comparable financial measure).
- **"Adjusted Profit (Loss) Attributable To Shareholders"** represents profit (loss) attributable to shareholders adjusted where applicable to exclude unrealized gains or losses on derivative financial instruments, costs related to business acquisitions including: amortization of acquisition-related intangible assets; costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS; costs associated with the remediation of properties sold; and where applicable the income tax effect of these adjustments (refer to the "Reconciliations and Calculations" section of this press release for a quantitative reconciliation to the most comparable financial measure). The most comparable IFRS measures for Adjusted Profit (Loss) Attributable to Shareholders is net income.
- **"Adjusted Earnings Per Share – Basic" and "Adjusted Earnings Per Share – Diluted"** are calculated by dividing Adjusted Profit (Loss) Attributable To Shareholders (defined above) by the basic and diluted weighted average number of shares outstanding, respectively. The most comparable IFRS measure for Adjusted Earnings Per Share is earnings per share (refer to the "Reconciliations and Calculations" section of this press release for a quantitative reconciliation to the most comparable financial measure).

Management uses the above non-GAAP financial measures to analyze and evaluate operating performance. Aecon also believes the above financial measures are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in the construction industry. These non-GAAP financial measures exclude items which management believes will allow investors a consistent way to analyze Aecon's financial performance, allow for better analysis of core operating income and business trends, and improve comparability of companies within the industry.

### Primary Financial Statements

Primary financial statement means any of the following: the consolidated balance sheets, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows.

Key financial measures presented in the primary financial statements of the Company and discussed in this press release are as follows:

- **“Gross profit”** represents revenue less direct costs and expenses. Not included in the calculation of gross profit are marketing, general and administrative expense (“MG&A”), depreciation and amortization, income (loss) from projects accounted for using the equity method, other income (loss), finance income, finance cost, income tax expense (recovery), and non-controlling interests.
- **“Operating profit (loss)”** represents the profit (loss) from operations, before finance income, finance cost, income tax expense (recovery), and non-controlling interests.

The above measures are presented in the Company's consolidated statements of income and are not meant to be a substitute for other subtotals or totals presented in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures.

- **“Backlog” (Remaining Performance Obligations)** means the total value of work that has not yet been completed that: (a) has a high certainty of being performed as a result of the existence of an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to Aecon, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Operations and maintenance (“O&M”) activities are provided under contracts that can cover a period of up to 30 years. In order to provide information that is comparable to the backlog of other categories of activity, Aecon limits backlog for O&M activities to the earlier of the contract term and the next five years.

Remaining Performance Obligations, i.e. Backlog, is presented in the notes to the Company's annual consolidated financial statements and is not meant to be a substitute for other amounts presented in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures.

### Non-GAAP Ratios

A non-GAAP ratio is a financial measure presented in the form of a ratio, fraction, percentage or similar representation, and that has a non-GAAP financial measure as one of its components and is not disclosed in the financial statements of the Company.

A non-GAAP ratio presented and discussed in this press release is as follows:

- **“Adjusted EBITDA margin”** represents Adjusted EBITDA as a percentage of revenue.

Management uses the above non-GAAP ratio to analyze and evaluate operating performance. The most directly comparable measures calculated in accordance with GAAP are gross profit margin and operating margin.

### Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio.

Key supplementary financial measures presented in this press release are as follows:

- **“Gross profit margin”** represents gross profit as a percentage of revenue.
- **“Operating margin”** represents operating profit (loss) as a percentage of revenue.
- **“MG&A as a percent of revenue”** represents marketing, general and administrative expense as a percentage of revenue.

### RECONCILIATIONS AND CALCULATIONS

Set out below is the calculation of Adjusted EBITDA by segment for the three and nine months ended September 30, 2024 and 2023:

**\$ millions**

	Three months ended September 30, 2024				Nine months ended September 30, 2024			
	Other costs and Construction Concessions eliminations Consolidated				Other costs and Construction Concessions eliminations Consolidated			
<b>Operating profit (loss)</b>	\$ 89.5	\$ 4.7	\$ (13.3)	\$ 80.9	\$ (88.0)	\$ 22.6	\$ (24.2)	\$ (89.6)
Depreciation and amortization	22.7	0.1	0.2	23.0	60.8	0.2	0.6	61.6
(Gain) loss on sale of assets	(6.3)	-	3.5	(2.8)	(17.3)	(5.9)	(9.0)	(32.2)
Costs related to business acquisitions <sup>(2)</sup>	5.4	0.1	0.1	5.6	5.4	0.1	0.1	5.6
(Income) loss from projects accounted for using the equity method	0.1	(5.9)	-	(5.8)	0.3	(20.0)	-	(19.6)
Equity Project EBITDA <sup>(1)</sup>	2.6	23.3	-	25.9	8.0	72.5	-	80.5
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 114.0</b>	<b>\$ 22.3</b>	<b>\$ (9.5)</b>	<b>\$ 126.9</b>	<b>\$ (30.8)</b>	<b>\$ 69.5</b>	<b>\$ (32.4)</b>	<b>\$ 6.3</b>

**\$ millions**

	Three months ended September 30, 2023				Nine months ended September 30, 2023			
	Other costs and Construction Concessions eliminations Consolidated				Other costs and Construction Concessions eliminations Consolidated			
<b>Operating profit (loss)</b>	\$ 1.3	\$ 152.7	\$ (13.9)	\$ 140.1	\$ 10.0	\$ 169.5	\$ 21.9	\$ 201.3
Depreciation and amortization	14.1	5.6	0.6	20.3	46.2	16.9	1.4	64.4
(Gain) on sale of assets	(0.9)	(139.0)	1.3	(138.6)	(26.9)	(139.0)	(54.5)	(220.4)
Costs related to business acquisitions <sup>(2)</sup>	-	-	-	-	-	-	-	-
(Income) from projects accounted for using the equity method	(0.4)	(4.8)	-	(5.2)	(0.1)	(13.2)	-	(13.3)
Equity Project EBITDA <sup>(1)</sup>	2.4	13.0	-	15.4	5.3	35.9	-	41.2
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 16.5</b>	<b>\$ 27.5</b>	<b>\$ (12.0)</b>	<b>\$ 32.0</b>	<b>\$ 34.5</b>	<b>\$ 70.1</b>	<b>\$ (31.2)</b>	<b>\$ 73.2</b>

(1) This is a non-GAAP financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" section in this press release for more information on each non-GAAP financial measure.

(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

Set out below is the calculation of Equity Project EBITDA by segment for the three and nine months ended September 30, 2024 and 2023:

\$ millions

	Three months ended September 30, 2024				Nine months ended September 30, 2024			
Aecon's proportionate share of projects accounted for using the equity method <sup>(1)</sup>	Other costs and				Other costs and			
	Construction	Concessions	eliminations	Consolidated	Construction	Concessions	eliminations	Consolidated
<b>Operating profit</b>	\$ 2.6	\$ 19.5	\$ -	\$ 22.1	\$ 8.0	\$ 61.0	\$ -	\$ 69.0
Depreciation and amortization	-	3.8	-	3.8	-	11.5	-	11.5
<b>Equity Project EBITDA<sup>(2)</sup></b>	<b>\$ 2.6</b>	<b>\$ 23.3</b>	<b>\$ -</b>	<b>\$ 25.9</b>	<b>\$ 8.0</b>	<b>\$ 72.5</b>	<b>\$ -</b>	<b>\$ 80.5</b>

\$ millions

	Three months ended September 30, 2023				Nine months ended September 30, 2023			
Aecon's proportionate share of projects accounted for using the equity method <sup>(1)</sup>	Other costs and				Other costs and			
	Construction	Concessions	eliminations	Consolidated	Construction	Concessions	eliminations	Consolidated
<b>Operating profit</b>	\$ 2.4	\$ 13.0	\$ -	\$ 15.4	\$ 5.1	\$ 35.9	\$ -	\$ 41.0
Depreciation and amortization	-	-	-	-	0.2	-	-	0.2
<b>Equity Project EBITDA<sup>(2)</sup></b>	<b>\$ 2.4</b>	<b>\$ 13.0</b>	<b>\$ -</b>	<b>\$ 15.4</b>	<b>\$ 5.3</b>	<b>\$ 35.9</b>	<b>\$ -</b>	<b>\$ 41.2</b>

(1) Refer to Note 10 "Projects Accounted for Using the Equity Method" in September 30, 2024 interim condensed consolidated financial statements

(2) This is a non-GAAP financial measure. Refer to the "Non-GAAP and Supplementary Financial Measures" section in this press release for more information on each non-GAAP financial measure.

Set out below is the calculation of Adjusted Profit (Loss) Attributable to Shareholders and Adjusted Earnings (Loss) per Share for the three months and nine months ended September 30, 2024 and 2023:

\$ millions

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
<b>Profit (loss) attributable to shareholders</b>	\$ 56.5	\$ 133.4	\$ (73.5)	\$ 152.2
Unrealized (gain) on derivative financial instruments	(7.3)	-	(15.3)	-
Amortization of acquisition related intangible assets	3.0	0.4	3.7	1.1
Costs related to business acquisitions <sup>(2)</sup>	5.6	-	5.6	-
Income tax effect of the above items	(0.4)	(0.1)	1.6	(0.3)
<b>Adjusted profit (loss) attributable to shareholders<sup>(1)</sup></b>	<b>\$ 57.5</b>	<b>\$ 133.7</b>	<b>\$ (78.0)</b>	<b>\$ 153.0</b>

<b>Adjusted earnings (loss) per share - basic<sup>(1)</sup></b>	<b>\$</b>	<b>0.92</b>	<b>\$</b>	<b>2.17</b>	<b>\$</b>	<b>(1.25)</b>	<b>\$</b>	<b>2.48</b>
<b>Adjusted earnings (loss) per share - diluted<sup>(1)</sup></b>		<b>0.86</b>		<b>1.63</b>		<b>(1.25)</b>		<b>1.95</b>

(1) This is a non-GAAP financial measure. Refer to the “Non-GAAP and Supplementary Financial Measures” section in this press release for more information on each non-GAAP financial measure.

(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

## STATEMENT ON FORWARD-LOOKING INFORMATION

*The information in this press release includes certain forward-looking statements which may constitute forward-looking information under applicable securities laws. These forward-looking statements are based on currently available competitive, financial, and economic data and operating plans but are subject to known and unknown risks, assumptions and uncertainties. Forward-looking statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, ongoing objectives, strategies and outlook for Aecon, including statements regarding: expectations regarding the financial risks and impact of the fixed price legacy projects, the expected timelines of such projects; the impact of certain contingencies on Aecon (see: Section 10.2 “Contingencies” in the Company’s September 30, 2024 MD&A); the uncertainties related to the unpredictability of global economic conditions; its belief regarding the sufficiency of its current liquidity position including sufficiency of its cash position, unused credit capacity, and cash generated from its operations; its strategy of seeking to differentiate its service offering and execution capability and the expected results therefrom; its efforts to maintain a conservative capital position; expectations regarding future revenue growth and the impact therefrom; expectations regarding profitability and margin predictability; expectations regarding the pipeline of opportunities available to Aecon; statements regarding the various phases of projects for Aecon; its strategic focus on projects linked to decarbonization, energy transition and sustainability, and the opportunities arising therefrom; communities sharing in the benefits and opportunities associated with Aecon’s work, including commitments to publish information with respect to reconciliation and targets including Indigenous suppliers; expectations regarding opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months; the acceleration of growth of Aecon in Canada and the U.S.; the ability of Aecon and United to integrate successfully following the Transaction; and the effective transition and collaboration with United management. Forward-looking statements may in some cases be identified by words such as “will,” “plans,” “schedule,” “forecast,” “outlook,” “completing,” “mitigating,” “potential,” “possible,” “maintain,” “seek,” “cost savings,” “synergies,” “strategy,” “goal,” “indicative,” “may,” “could,” “might,” “can,” “believes,” “expects,” “anticipates,” “aims,” “assumes,” “upon,” “commences,” “estimates,” “projects,” “intends,” “prospects,” “targets,” “occur,” “continue,” “should” or the negative of these terms, or similar expressions. In addition to events beyond Aecon’s control, there are factors which could cause actual or future results, performance, or achievements to differ materially from those expressed or inferred herein including, but not limited to: the risk of not being able to drive a higher margin mix of business by participating in more complex projects, achieving operational efficiencies and synergies, and improving margins; the risk of not being able to meet contractual schedules and other performance requirements on large, fixed priced contracts; the risks associated with a third party’s failure to perform; the risk of not being able to meet its labour needs at reasonable costs; possibility of gaps in insurance coverage; the risk of not being able to address any supply chain issues which may arise and pass on costs of supply increases to customers; the risks associated with international operations and foreign jurisdiction factors; the risk of not being able, through its joint ventures, to enter into implementation phases of certain projects following the successful completion of the relevant development phase; the risk of not being able to execute its strategy of building strong partnerships and alliances; the risk of not being able to execute its risk management strategy; the risk of not being able to grow backlog across the organization by winning major projects; the risk of not being able to maintain a number of open, recurring, and repeat contracts; the risk of not being able to identify and capitalize on strategic operational investments; the risk of not being able to accurately assess the risks and opportunities related to its industry’s transition to a lower-carbon economy; the risk of not being able to oversee, and where appropriate, respond to known and unknown environmental and climate change-related risks, including the ability to recognize and adequately respond to climate change concerns or public, governmental, and other stakeholders’ expectations on climate matters; the risk of not being able to meet its commitment to meeting its greenhouse gas emissions reduction, Board diversity or Indigenous supplier targets; the risks of nuclear liability; the risks of cyber interruption or failure of information systems; the risks associated with the strategy of differentiating its service offerings in key end markets; the risks associated with undertaking initiatives to train employees; the risks associated with the seasonal nature of its business; the risks associated with being able to participate in large projects; the risks associated with legal proceedings to which it is a party; the ability to successfully respond to shareholder activism; the risk that Aecon will not realize the opportunities presented by a transition to a net-zero economy; the risk of a delay in, or inability to close, the United Transaction; risks associated with future pandemics, epidemics and other health crises and Aecon’s ability to respond to and implement measures to mitigate the impact of such pandemics or epidemics; the risk that the strategic partnership with Oaktree will not realize the expected results and may negatively impact the existing business of Aecon Utilities; the risk that Aecon Utilities will not realize the anticipated balance sheet flexibility with the completion of the investment; the risk that Aecon Utilities will not realize opportunities to expand its geographic reach and range of services in the U.S; the risk of costs or difficulties related to the integration of Aecon and United, and of Aecon Utilities and Xtreme, being greater than expected; the risk of the anticipated benefits and synergies from the proposed United Transaction, and of the previous acquisition of Xtreme, not being fully realized or taking longer than expected to realize; the risk of being unable to retain key personnel, including management of United and Xtreme; the risk of being unable to maintain relationships with customers, suppliers or other business partners of United and Xtreme; the risk that travel through Bermuda International Airport does not recover to pre-Covid-19 levels; and various other risk factors described in Aecon’s filings with the securities regulatory authorities, which are available under Aecon’s profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)), including the risk factors described in Section 13 - “Risk Factors” in Aecon’s 2023 Management’s Discussion and Analysis for the fiscal year ended*

December 31, 2023 and our Management's Discussion and Analysis for the fiscal quarter ended September 30, 2024 and in other filings made by Aecon with the securities regulatory authorities in Canada.

These forward-looking statements are based on a variety of factors and assumptions including, but not limited to that: none of the risks identified above materialize, there are no unforeseen changes to economic and market conditions and no significant events occur outside the ordinary course of business and assumptions regarding the outcome of the outstanding claims in respect of the fixed price legacy projects being performed by joint ventures in which Aecon is a participant. These assumptions are based on information currently available to Aecon, including information obtained from third-party sources. While the Company believes that such third-party sources are reliable sources of information, the Company has not independently verified the information. The Company has not ascertained the validity or accuracy of the underlying economic assumptions contained in such information from third-party sources and hereby disclaims any responsibility or liability whatsoever in respect of any information obtained from third-party sources.

Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aecon undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

## CONSOLIDATED STATEMENTS OF INCOME

### FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(in thousands of Canadian dollars, except per share amounts)

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
Revenue	\$ 1,275,347	\$ 1,239,584	\$ 2,975,718	\$ 3,513,657
Direct costs and expenses	(1,124,922)	(1,193,884)	(2,900,414)	(3,355,981)
<b>Gross profit</b>	<b>150,425</b>	<b>45,700</b>	<b>75,304</b>	<b>157,676</b>
Marketing, general and administrative expense	(55,814)	(28,685)	(156,116)	(126,028)
Depreciation and amortization	(22,985)	(20,274)	(61,612)	(64,439)
Income from projects accounted for using the equity method	5,796	5,214	19,644	13,251
Other income	3,473	138,154	33,177	220,883
<b>Operating profit (loss)</b>	<b>80,895</b>	<b>140,109</b>	<b>(89,603)</b>	<b>201,343</b>
Finance income	1,420	2,288	6,717	5,463
Finance cost	(4,544)	(16,556)	(16,788)	(49,607)
<b>Profit (loss) before income taxes</b>	<b>77,771</b>	<b>125,841</b>	<b>(99,674)</b>	<b>157,199</b>
Income tax recovery (expense)	(21,303)	7,584	26,131	(5,004)
<b>Profit (loss) for the period</b>	<b>\$ 56,468</b>	<b>\$ 133,425</b>	<b>\$ (73,543)</b>	<b>\$ 152,195</b>
<b>Profit (loss) attributable to:</b>				
Aecon shareholders	\$ 56,462	\$ 133,425	\$ (73,549)	\$ 152,195
Non-controlling interests	6	-	6	-
	<b>\$ 56,468</b>	<b>\$ 133,425</b>	<b>\$ (73,543)</b>	<b>\$ 152,195</b>
<b>Basic earnings (loss) per share</b>	<b>\$ 0.90</b>	<b>\$ 2.16</b>	<b>\$ (1.18)</b>	<b>\$ 2.47</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.85</b>	<b>\$ 1.63</b>	<b>\$ (1.18)</b>	<b>\$ 1.94</b>