SNC·LAVALIN

Fourth Quarter 2016

Conference Call Presentation

March 2nd, 2017

Agenda

Forward-looking statements

- Denis Jasmin, Vice-President, Investor Relations

CEO remarks

- Neil Bruce, President and Chief Executive Officer

Financial overview

- Sylvain Girard, Executive Vice-President and Chief Financial Officer

Q&A

Forward-looking statements

Reference in this presentation, and hereafter, to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements.

Statements made in this presentation that describe the Company’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “aims”, “anticipates”, “assumes”, “believes”, “cost savings”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “should”, “synergies”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: (i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the Company’s operations. 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 presentation 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 2016 Management Discussion and Analysis (MD&A). The 2017 outlook also assumes that the federal charges laid against the Company and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. on February 19, 2015, will not have a significant adverse impact on the Company’s business in 2017. 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 risk factors are set out in the Company’s 2016 MD&A.

The 2017 outlook referred to in this presentation is forward-looking information and is based on the methodology described in the Company’s 2016 MD&A under the heading “How We Budget and Forecast Our Results” and is subject to the risks and uncertainties described in the Company’s public disclosure documents. The purpose of the 2017 outlook is to provide the reader with an indication of management’s expectations, at the date of this presentation, regarding the Company’s future financial performance and readers are cautioned that this information may not be appropriate for other purposes.

2016 Retrospective

What we said	What we did	
Adjusted diluted EPS from E&C Guidance › March 2016 $1.50 - $1.70 › September 2016 $1.30 - $1.60	**$1.51**	✓
Total SG&A year-over-year savings of $100M	**$132M**	✓
2016 Operating cash flow slightly positive or flat	**+$106M**	✓
Disposal of France and Real Estate Facilities Management	Both sales **completed** December 2016	✓
M&M backlog to return to a higher level than Q4 2015 ($279M)	**$294M**	✓
Set up a new structure for North American Concession Investments (excl. H407)	Still in progress, **not yet completed**	✗

Strategic priorities

2016	2017
› Streamline our structure	› Continue our progress in Operational Excellence
› Focus on delivery	› Become a more client-centric organization
› Promote a more performance-driven culture	› Continue building a performance-driven culture
› Growth in our four sectors	› Growing our business

SNC·LAVALIN

2016 results

- **2016 IFRS net income** attributable to SNC-Lavalin shareholders of $255.5M, or $1.70 EPS

- **2016 adjusted net income from E&C** of $226.4M, or $1.51 per diluted share
  - 12.2% higher than 2015, due to lower SG&A, partially offset by lower gross margin
  - Oil & Gas, Mining & Metallurgy and Power Segment EBIT lower compared to 2015
  - Infrastructure Segment EBIT significantly higher compared to 2015

- **SG&A expenses** decreased by $131.5M or 15.4% compared to 2015
  - Full year G&A expenses down 20.7%, while Selling expenses up 3.4%

- **Revenue backlog** of $10.7B at December 31, 2016
  - Q4 bookings of $1.9B
  - Removal at December 31, 2016 of $902.7M due to sale of France and Real Estate Facilities Management

- **Cash and cash equivalents** of $1.1B at December 31, 2016
  - Full year cash flow from operating activities of $105.6M

- **2017 Outlook** – Adjusted diluted EPS from E&C between $1.70 and $2.00

- **Quarterly dividend** – Increase of 5% to $0.273

Oil & Gas

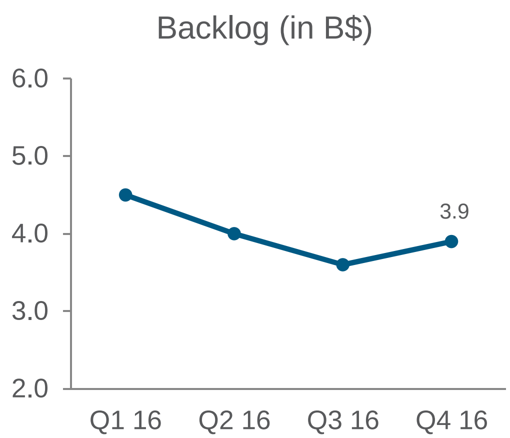
~$4B revenue business with **~21,500** employees

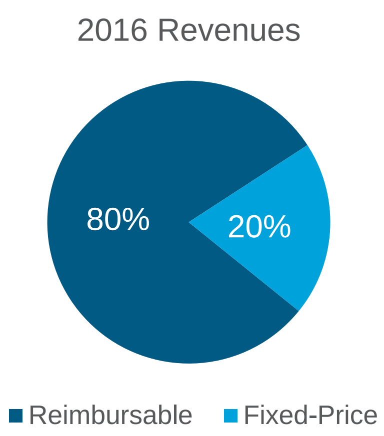
Q4 EBIT includes $28M net favorable impact on GM regarding the two projects in the Middle East mentioned in Q3. While there have been positive conclusions to some issues in Q4, discussions are still ongoing

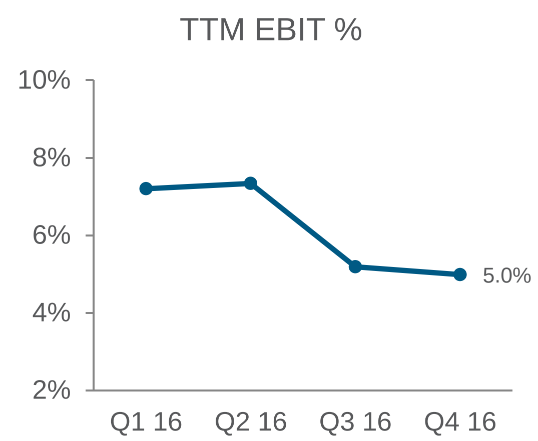
Excluding this favorable impact, Q4 EBIT = 7.1%

Backlog remains strong at $3.9B, new awards in Q4 2016 ~ $1.3B, including:

- EPC contract for an expansion of a natural gas storage services in the US
- 10-year BOO and service contract for the EPC and operations of multiple gas compression and dehydration facilities in the US
- 5-year agreement to provide EP services for maintenance and sustainment projects in Alberta
- 5-year extension to GES+ contract with Saudi Aramco







SNC·LAVALIN

Mining & Metallurgy

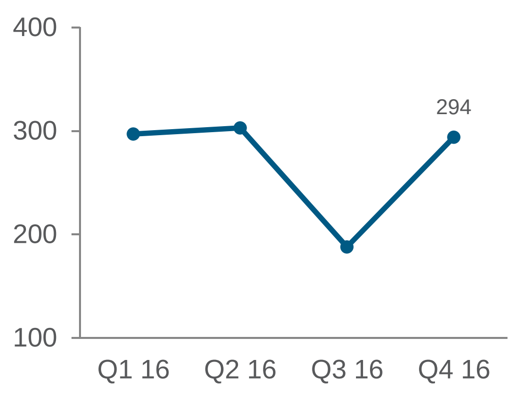
~$500M revenue business with **~1,000** employees

Backlog increased back to Q4 2015 level, awarded in Q4:

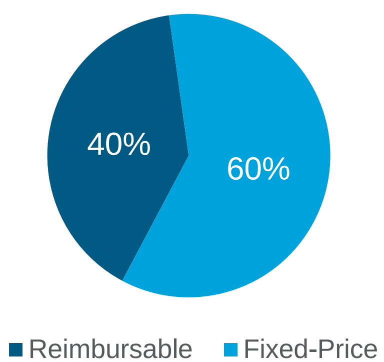
- Service contract for a sulphur dioxide mitigation project in Russia
- EPC contract for the replacement of an effluent treatment plant in Chile
- EPC contract for the construction of two sulphuric acid plants in Chile
- Service contract for a calcium ammonium nitrate plant revamp in Turkey

Sustainable EBIT %

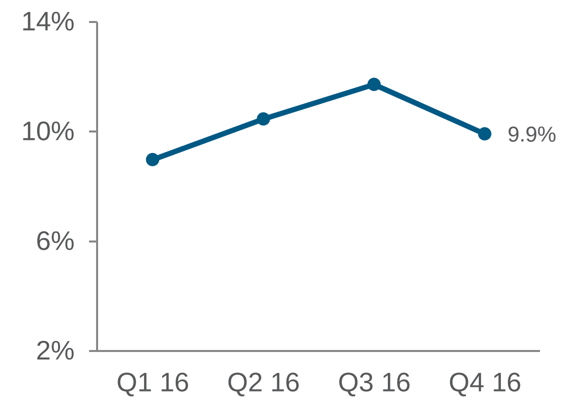
Backlog (in M$)



2016 Revenues



TTM EBIT %



SNC·LAVALIN

Power

~$1.5B revenue business with **~3,500** employees

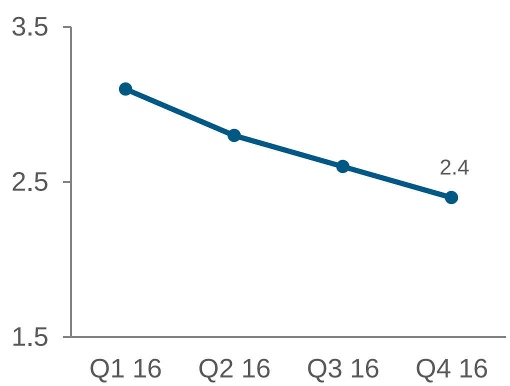
New award in Q4 2016:

- Nuclear pre-project contract in Argentina

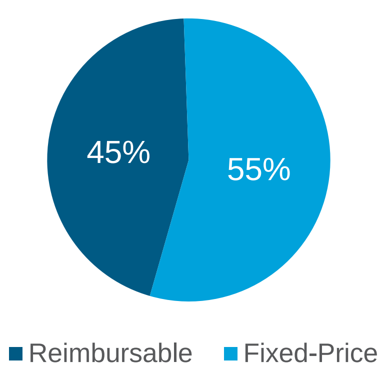
Improved EBIT margins

We see in front of us global nuclear and renewable opportunities

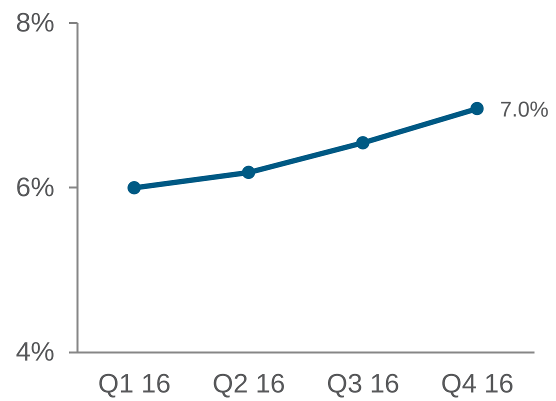
Backlog (in B$)



2016 Revenues



TTM EBIT %



SNC·LAVALIN

Infrastructure (I&C + O&M)

~$2.5B revenue business with **~6,500** employees

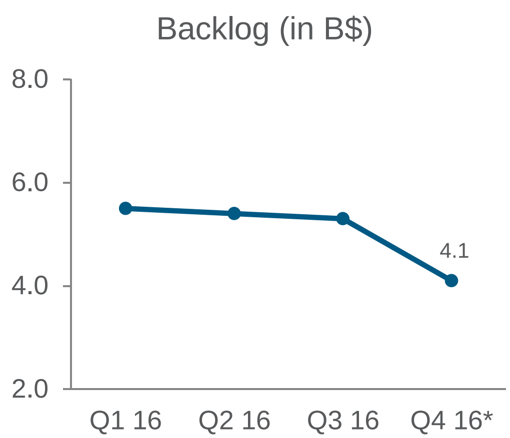
Improved EBIT margin

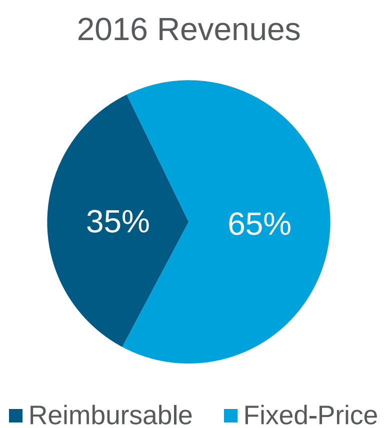
- 2016 EBIT of 5.2% vs 2015 EBIT of 1.8%

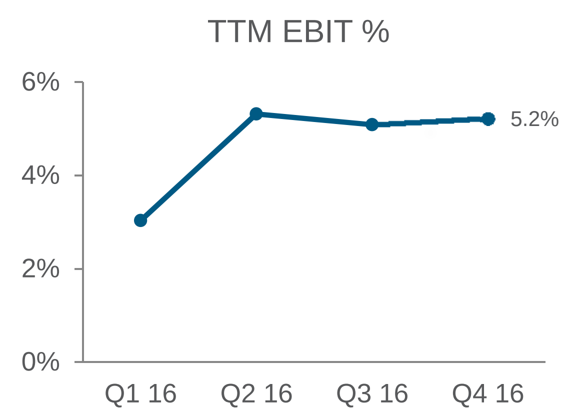
Backlog

- Following the completion of the sale of its non-core Real Estate Facilities Management business in Canada and its local French operations in December 2016, the Company has removed $903M from its December 31, 2016 Infrastructure backlog

Shortlisted for the George Massey Bridge, Gordie Howe Bridge, Finch West LRT and the Montreal LRT (Réseau Électrique de Montréal)







SNC·LAVALIN

*Following the completion of the sale of its non-core Real Estate Facilities Management business in Canada and its local French operations in December 2016, the Company has removed $903M from its December 31, 2016 backlog.

Portfolio of value creating assets

Capital

Sold three concession investments in 2016 for a net cash inflow of ~$100M

Total dividends/distributions received in 2016 of $162M ($133M from 407 ETR)

407 ETR continues to deliver very good results (see appendix)

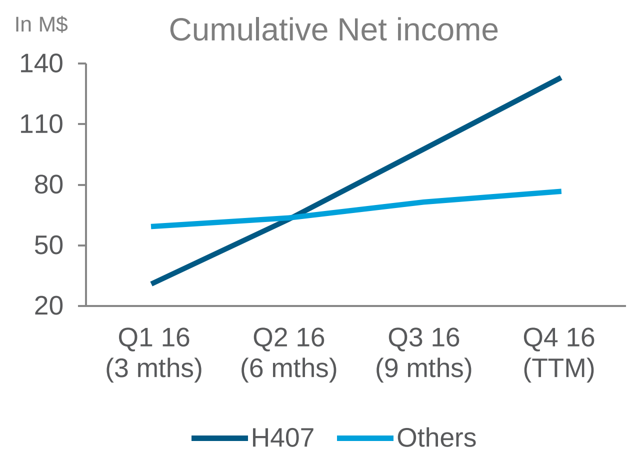
- Revenues up 17.3% (Q4 over Q4)
- VKT up 6.3% (Q4 over Q4)
- EBITDA up 24.6% (Q4 over Q4)
- 10.5% quarterly dividend increase

New structure for our North American concession investments (excl. Highway 407 ETR) continues to progress

$4B+
Inv. FMV[2] per analysts

$417M
Inv. NBV[1]

[1] Net Book Value as at December 31, 2016
[2] Average Fair Market Value as per analysts calculations, as at March 1, 2017



Q1 2016 includes a gain on disposal of the Company's indirect investment in Malta International Airport of $54M.

SNC·LAVALIN

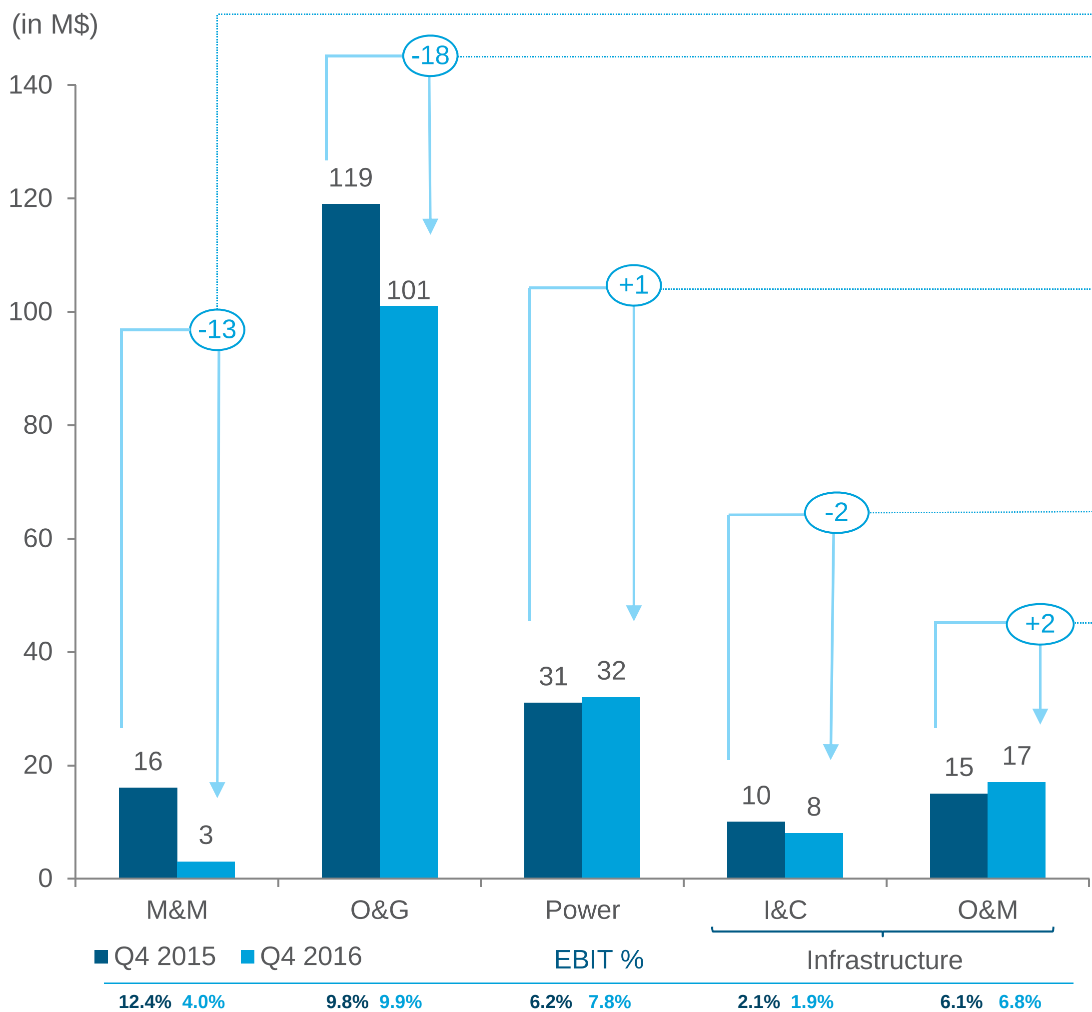
Q4 Financial performance summary

	E&C		Capital		Total	
	Q4 2016	Q4 2015	Q4 2016	Q4 2015	Q4 2016	Q4 2015
Revenues	**2,146**	2,590	**65**	56	**2,211**	2,646
SG&A	**201**	205	**13**	13	**214**	218
EBITDA, adjusted	**108**	145	**47**	41	**155**	186
Adjusted EBITDA margin	**5.0%**	5.6%	**n/a**	n/a	**7.0%**	7.0%
Net income, as reported	**(38)**	14	**40**	35	**2**	49
Net income, adjusted	**73**	66	**43**	35	**116**	101
EPS, as reported ($)	**(0.26)**	0.09	**0.27**	0.24	**0.01**	0.33
EPS, adjusted ($)	**0.49**	0.44	**0.28**	0.24	**0.77**	0.68
Cash and cash equivalent					**1,055**	1,582
Revenue backlog					**10,677**	11,992

In M$, unless otherwise indicated

SNC·LAVALIN

E&C segment EBIT – Q4 2016 vs Q4 2015



M&M

Mainly due to lower level of activity and GM%, partially offset by lower SG&A.

O&G

Mainly due to lower level of activity, partially offset by a net favorable impact of $28M on GM regarding two projects under the same contract in the Middle East, mentioned in Q3.

Power

In line with Q4 2015. Increase in GM% and lower SG&A, offset by lower level of activity.

I&C

In line with Q4 2015. Increase in GM% and lower SG&A, offset by lower level of activity

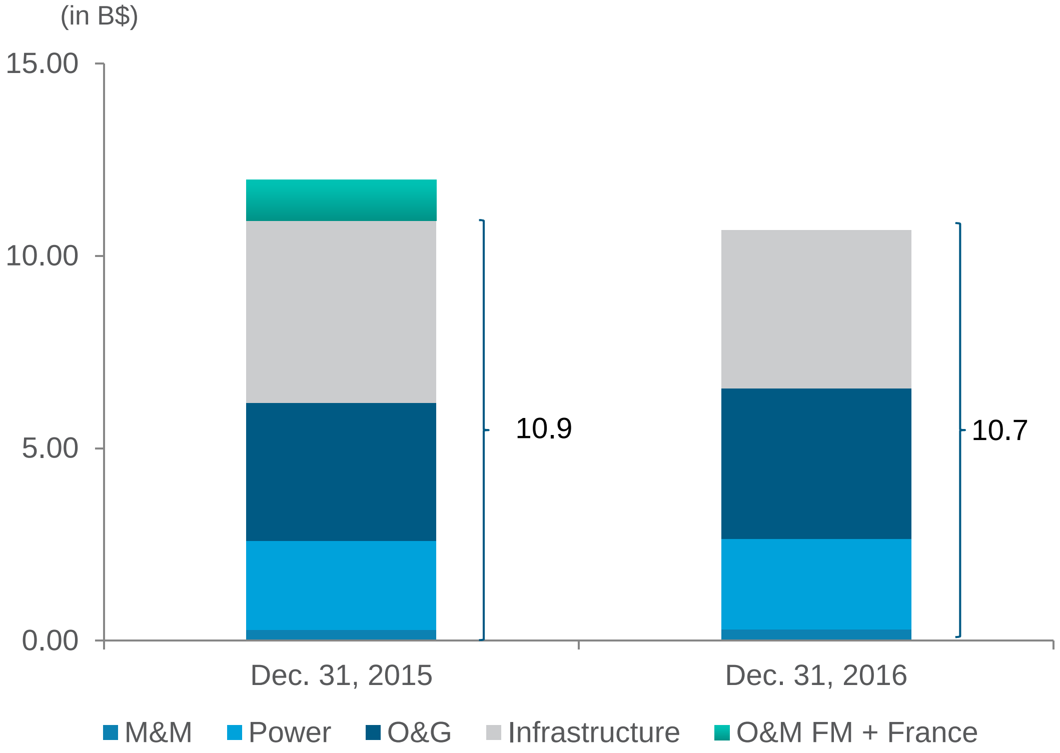
O&M

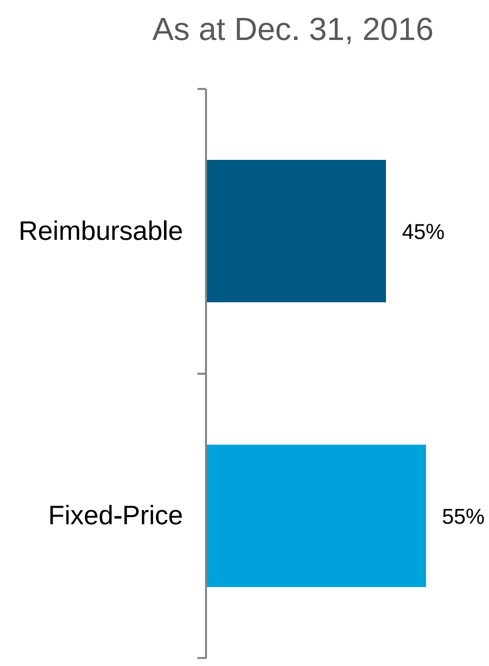
In line with Q4 2015

SNC·LAVALIN

A sustainable and diversified backlog

Strong Backlog
Dec. 2016
$10.7B

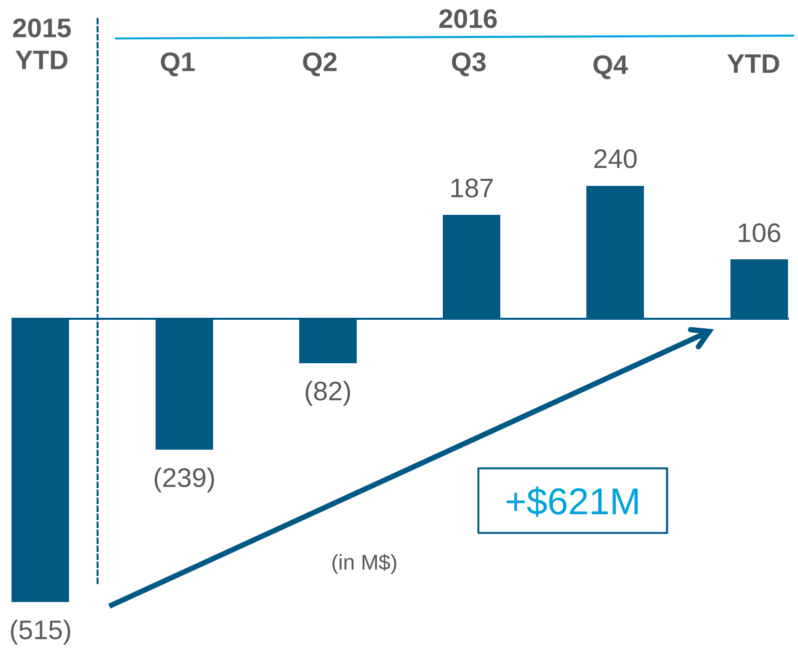




Non-core Real Estate Facilities Management business in Canada (O&M FM) and local French operations (France) were sold in 2016, and therefore removed from the 2016 backlog

2016 Operating Cash Flow

Improved cash flow from operations



Cash flow from operations

- Reduced working capital usage
- Lower cash tax paid

Partially offset by:

- Lower EBIT from E&C segments
- Higher restructuring costs paid

Cash Balance as December 31, 2015	**1,582**
Net inflow on disposals of Capital investments and E&C businesses	**78**
Payments for Capital investments	**(12)**
Net repayments of project financing	**(396)**
Other	**80**
Cash Balance as December 31, 2016	**1,055**

SNC·LAVALIN

Outlook

› We anticipate increased Segment EBIT from Infrastructure, Oil & Gas and Power, compared to 2016, while Mining & Metallurgy should remain in line with 2016.

Outlook
2017 Adjusted diluted EPS from E&C **$1.70 – $2.00** ($0.36 in 2014, $1.34 in 2015 and $1.51 in 2016)

SNC·LAVALIN

Questions
& Answers

Appendix

407 ETR information – Q4

(in M$, unless otherwise indicated)	Q4 2016	Q4 2015	Change
Revenues	297.3	253.4	17.3%
Operating expenses	42.2	48.6	(13.2)%
EBITDA as a percentage of revenues	85.8%	80.8%	5.0%
Traffic / Trips (in millions)	31.7	30.8	2.9%
Vehicle kilometers travelled “VKT” (in millions)	674.6	634.9	6.3%
Dividends paid to SNC-Lavalin	34.8	31.5	10.5%

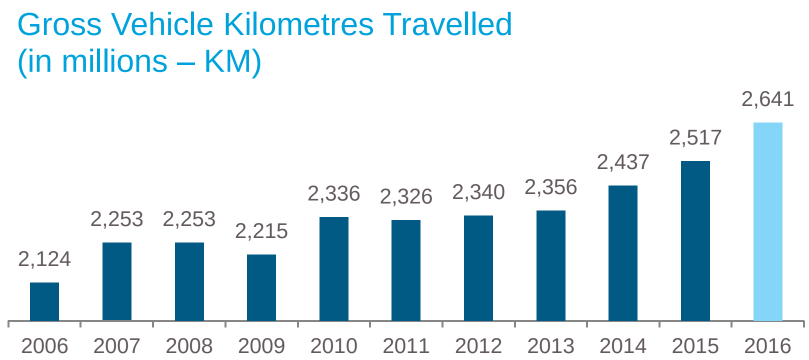
10.5% increase in dividends paid to SNC-Lavalin

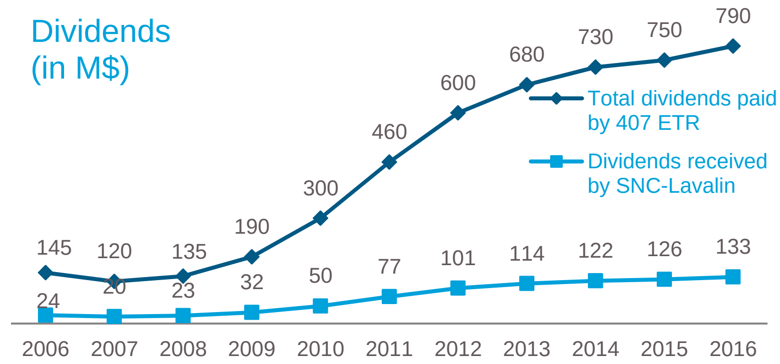
6.3% increase in VKT

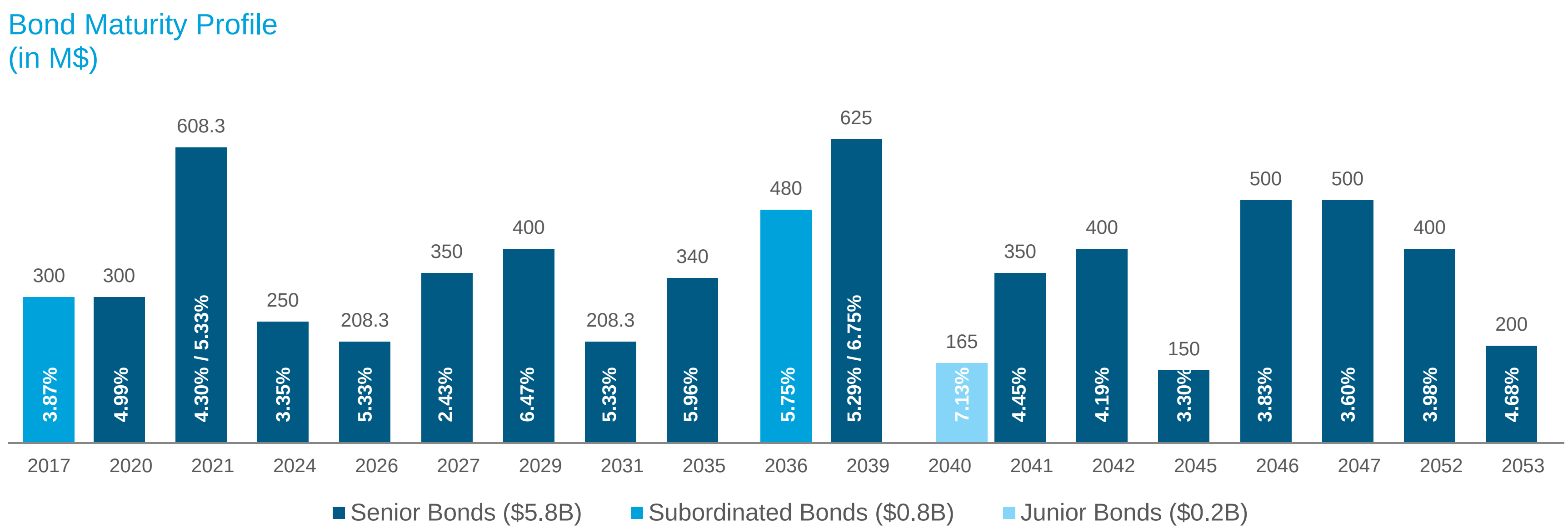
SNC·LAVALIN

407 ETR

Consistent growth and low cost of financing







SNC·LAVALIN

Capital investments portfolio

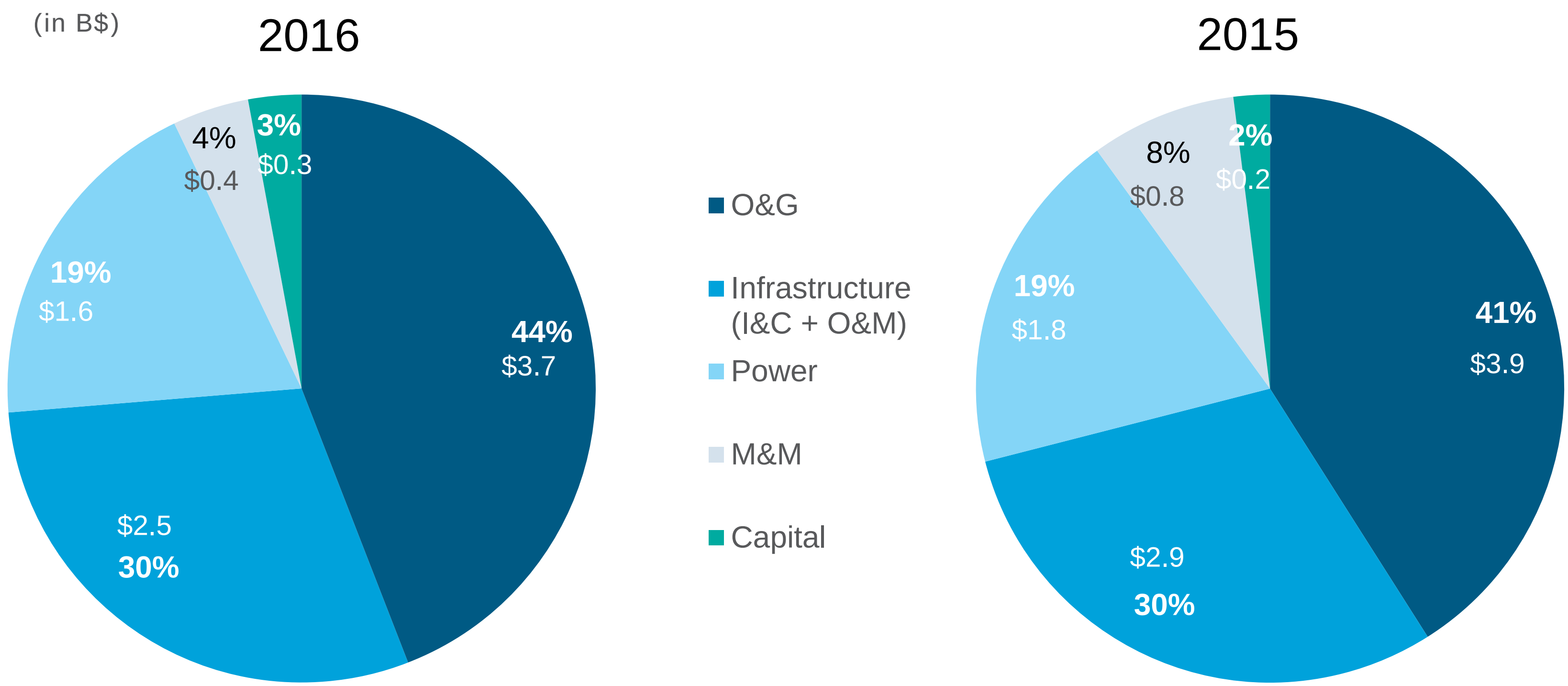
Name	Description	Held Since	Concession Years	Location	Equity Participation
Highways, Bridges & Rail					
1. Highway 407 (407 ETR)	108 km electronic toll road	1999	99	Canada (Ontario)	16.8%
2. InTransit BC	Rapid transit line	2005	35	Canada (B.C.)	33.3%
3. Okanagan Lake	Floating bridge	2005	30	Canada (B.C.)	100%
4. TC Dôme	5.3 km electric cog railway	2008	35	France	51%
5. Chinook	25 km six-lane road	2010	33	Canada (Alberta)	50%
6. 407 EDGGP	35.3 km H407 East extension (Phase 1)	2012	33	Canada (Ontario)	50%
7. Highway Concessions One PL	Roads	2012	Indefinitely	India	10%
8. Rideau	Light rail transit system	2013	30	Canada (Ontario)	40%
9. Eglinton Crosstown	19 km light rail line	2015	36	Canada (Ontario)	25%
10. SSL	New Champlain bridge corridor	2015	34	Canada (Quebec)	50%
Power					
11. SKH	1,227 MW gas-fired power plant	2006	Indefinitely	Algeria	26%
12. Astoria II	550 MW gas-fired power plant	2008	Indefinitely	USA (NY)	6.2%
13. InPower BC	John Hart 126 MW generating station	2014	19	Canada (B.C.)	100%
Health Centres					
14. MIHG	McGill University Health Centre	2010	34	Canada (Quebec)	60%
15. Rainbow	Restigouche Hospital Centre	2011	33	Canada (N.B.)	100%
Others					
16. Myah Tipaza	Seawater desalination plant	2008	Indefinitely	Algeria	25.5%

NBV[1] = $417M   FMV[2] = $4B+

1 Net Book Value as at December 31, 2016

2 Average Fair Market Value as per analysts calculations, as at March 1, 2017

Diversity of revenue base – by segment



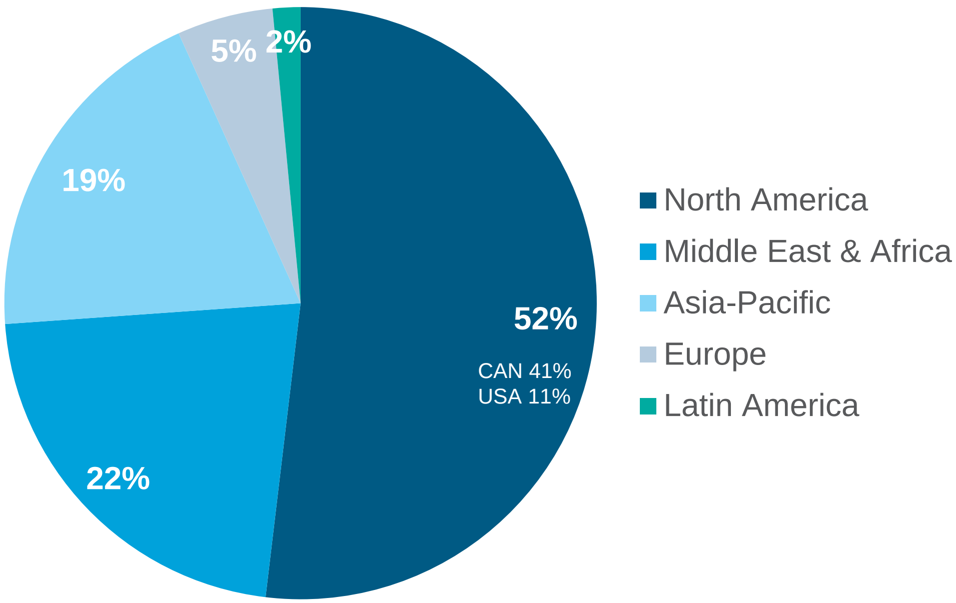
2016 Revenues
$8.5 billion

2015 Revenues
$9.6 billion

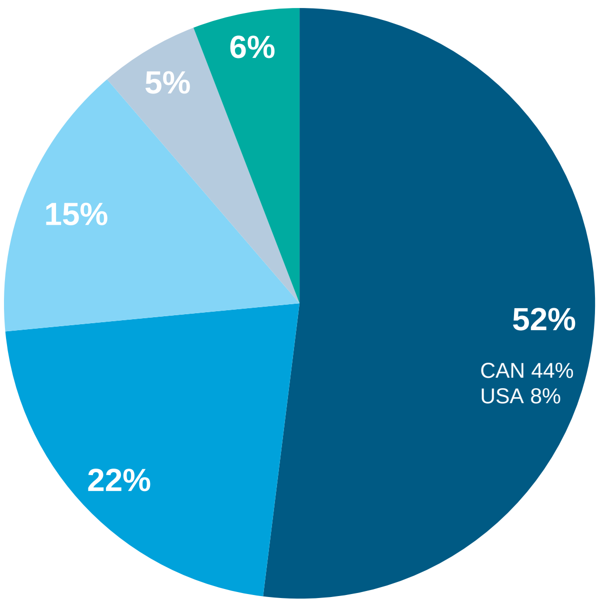
Diversity of revenue base – by geography

(in B$)

2016



2015



2016 Revenues
$8.5 billion

2015 Revenues
$9.6 billion

SNC·LAVALIN

Year-end financial performance summary

	E&C		Capital		Total	
	2016	2015	2016	2015	2016	2015
Revenues	**8,223**	9,364	**248**	223	**8,471**	9,587
SG&A	**679.0**	824.6	**45.1**	31.1	**724.1**	855.6
EBITDA, adjusted	**372**	433	**180**	176	**552**	609
EBITDA margin	**4.5%**	4.6%	**n/a**	n/a	**6.5%**	6.4%
Net income, as reported	**47**	96	**209**	308	**256**	404
Net income, adjusted	**226**	202	**161**	163	**387**	365
EPS, as reported ($)	**0.31**	0.64	**1.39**	2.04	**1.70**	2.68
EPS, adjusted ($)	**1.51**	1.34	**1.07**	1.08	**2.58**	2.42
Cash and cash equivalent					**1,055**	1,582
Revenue backlog					**10,677**	11,992

In M$, unless otherwise indicated

SNC·LAVALIN

Solid financial position

(in M$)	December 31 2016	December 31 2015
Assets		
Other current assets	3,135	3,616
Capital investments accounted for by the equity or cost methods	448	468
Intangible assets related to Kentz acquisition	194	273
	9,298	10,503
Liabilities and Equity		
Recourse long-term debt	349	349
Other non-current liabilities and deferred income tax liability	618	635
Equity attributable to SNC-Lavalin shareholders	3,873	3,868
	9,298	10,503
Recourse debt-to-capital ratio	9:91	9:91

SNC·LAVALIN

Net income reconciliation – Q4

(in M$, except per share amount)

	Net Income (loss), as reported	Net charges related to the restructuring & right-sizing plan and other	Acquisition of Kentz		One-time net foreign exchange gain	Net loss (gain) on Capital Investment and E&C business disposals	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets			
Fourth Quarter 2016							
In M$							
Capital	40.0	-	-	-	-	2.6	42.6
Per Diluted share ($)							
Capital	0.27	-	-	-	-	0.01	0.28
Fourth Quarter 2015							
In M$							
Capital	35.3	-	-	-	-	-	35.3
Per Diluted share ($)							
E&C	0.09	0.23	0.00	0.12	-	-	0.44
Capital	0.24	-	-	-	-	-	0.24
	0.33	0.23	0.00	0.12	-	-	0.68

[1]This amount includes a reversal of $8.5 million ($8.0 million after taxes) of charges, which did not meet the restructuring costs definition in accordance with IFRS.

[2]An amount related to the restructuring and right-sizing plan of $36.3 million ($36.3 million after taxes) originally included in the 2014 gross margin, in accordance with IFRS, was reversed in the fourth quarter of 2015 due to a favorable outcome.

SNC·LAVALIN

Net income reconciliation – full year

(in M$, except per share amount)

	Net Income, as reported	Net charges related to the restructuring & right-sizing plan and other	Acquisition of Kentz		One-time net foreign exchange gain	Net loss (gain) on Capital Investment and E&C business disposals	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets			
In M$			**Year Ended December 31, 2016**				
Capital	209.2	-	-	-	-	(48.5)	160.7
Per Diluted share ($)							
Capital	1.39	-	-	-	-	(0.32)	1.07
In M$			**Year Ended December 31, 2015**				
Capital	308.5	-	-	-	-	(145.7)	162.8
Per Diluted share ($)							
E&C	0.64	0.33	0.10	0.48	(0.21)	-	1.34
Capital	2.04	-	-	-	-	(0.96)	1.08
	2.68	0.33	0.10	0.48	(0.21)	(0.96)	2.42

[1]This amount includes a net reversal of $4.2 million ($6.0 million after taxes) of charges, which did not meet the restructuring costs definition in accordance with IFRS.

[2]An expense related to the restructuring and right-sizing plan of $36.3 million ($36.3 million after taxes) originally included in the 2014 gross margin, in accordance with IFRS, was reversed in the fourth quarter of 2015 due to a favorable outcome.

SNC·LAVALIN