



First Quarter 2018

Conference Call Presentation

May 3rd, 2018



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”, “target”, “should”, “synergies”, “vision”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: (i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; 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 2017 Management Discussion and Analysis (MD&A) and as updated in the first quarter 2018 MD&A. The 2018 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 2018. 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 2017 MD&A and as updated in the first quarter 2018 MD&A.

The 2018 outlook referred to in this presentation is forward-looking information and is based on the methodology described in the Company's 2017 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 2018 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.

Non-IFRS financial measures and additional IFRS measures

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS measures and additional IFRS measures are used by the Company: Adjusted net income from E&C, Adjusted diluted EPS from E&C, Adjusted net income from Capital, Adjusted diluted EPS from Capital, Adjusted consolidated diluted EPS, EBITDA, Adjusted E&C EBITDA, Segment EBIT and Revenue backlog. Additional details for these non-IFRS measures and additional measures can be found below and in SNC-Lavalin's MD&A, which is available in the Investors section of the Company's website at www.snclavalin.com. Non-IFRS financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS measures provide additional insight into the Company's financial results and certain investors may use this information to evaluate the Company's performance from period to period. However, these non-IFRS financial measures have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.



Q1 2018

Neil Bruce, President and CEO

De-risking the business and gearing for growth



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Q1 2018 financial performance (vs Q1 2017)

Revenue of \$2.4B, up 31.5%

Adjusted net income from E&C of \$89.5M, up 47.4%, or \$0.51 per diluted share, up 27.5%

Total segment EBIT of \$234M, up 41.5%

RPO* of \$13.5B as at March 31, 2018

Adjusted E&C EBITDA margin of 7.5% compared to 5.6% in Q1 2017

2018 outlook maintained:
Adjusted diluted EPS from E&C in the range of \$2.60 to \$2.85



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* Remaining Performance Obligations, new metric that is replacing the revenue backlog

Q1 2018 main sector highlights

Infrastructure

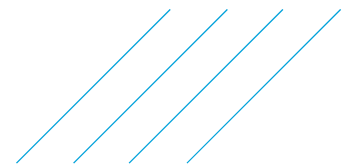
- › Recently awarded two contracts related to the REM project in Montreal
 - › Awarded design-build project management for a light rail line in Seattle, USA
 - › \$7.3B of RPO* – includes positive adjustment from IFRS 15
 - › 12% increase in revenues (Q1 vs Q1)
-

Oil & Gas

- › 7.4% Segment EBIT
 - › \$0.5B of new awards in Q1 2018
 - › Recently awarded:
 - EPC contract with a consortium for a downstream project in Canada
 - 5-year framework agreement in Saudi Arabia
 - Condensate handling facility and sour water disposal unit project in Saudi Arabia
-

Clean Power, Nuclear, Thermal Power

- › Exiting thermal power business, one last ongoing project to be completed by mid-2018
- › 38% increase in Nuclear revenues (Q1 vs Q1), now includes Atkins' nuclear business



Q1 2018 main sector highlights

EDPM

- › \$2.2B of RPO* – \$1.0B of new awards in Q1 2018
 - › Segment EBIT of 10.3%
 - › Integration complete – on track to deliver \$120M of cost synergies
-

Mining & Metallurgy

- › 12% increase in revenues (Q1 vs Q1)
 - › Prospects pipeline continues to improve
-

Capital

- › Another strong quarter for 407 ETR – 10.7% increase in revenues – 2.5% increase in VKT (Q1 vs Q1)



Q1 2018

Sylvain Girard, EVP and CFO



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Segment disclosure change

Effective January 1, 2018, the Company decided to make the following changes to the Segment Disclosure note of its financial statements (2017 figures have been restated accordingly):

- › **Segment changes** (per Nov. 13, 2017 press release)

- › Divided the Power segment into 2 segments: Nuclear and Clean Power (exiting Thermal Power)
- › Reallocated Atkins' Energy business to Nuclear and Oil & Gas
- › Transferred SNC-Lavalin's Rail & Transit Engineering business to EDPM¹ (formerly Atkins)

- › **Corporate SG&A allocated to segments**

- › Certain costs, previously recorded in "Corporate SG&A not allocated to segments", were transferred to the Segment EBIT. These costs are mainly related to information technology as well as employee benefits and incentives. The allocation of the information technology costs is based on a per-employee basis, while the allocation of the benefits and incentives is determined by employee.
- › The Company believes that such allocations improve the measure of profitability of its reportable segments by better reflecting the overall costs incurred to support its operations.

Q1 2018 financial performance (vs Q1 2017)

Revenue of \$2.4B, up 31.5%

- › \$0.7B incremental revenue in the EDPM segment, following the acquisition of Atkins
- › Decrease in the Oil & Gas segment, due to the near completion of LNG projects in Australia

Total segment EBIT of \$234M, up 41.5%

- › Another strong quarter for EDPM with an EBIT margin of 10.3%
- › Lower negative segment EBIT in Thermal Power

Adjusted E&C EBITDA margin of 7.5% compared to 5.6% in Q1 2017

Financial Expenses Increase

- › Increase of \$28.8M, mainly due to the financing of the acquisition of Atkins in Q3 2017

Adjusted net income from E&C of \$89.5M, up 47.4%, or \$0.51 per diluted share, up 27.5%

- › Higher Segment EBIT, partially offset by an increase in income taxes and financial expenses

RPO* of \$13.5B as at March 31, 2018

- › Q1 E&C bookings totaled \$2.1B
- › Does not yet include the two recently awarded contracts related to the REM project in Montreal
- › Compliance with IFRS 15 added \$3.4B to the RPO
 - Inclusion of the full term of the Company's O&M signed long-term contracts
 - Exclusion of anticipated volume of work for which no formal purchase orders or work orders have yet been issued within their long-term framework agreements

Liquidity

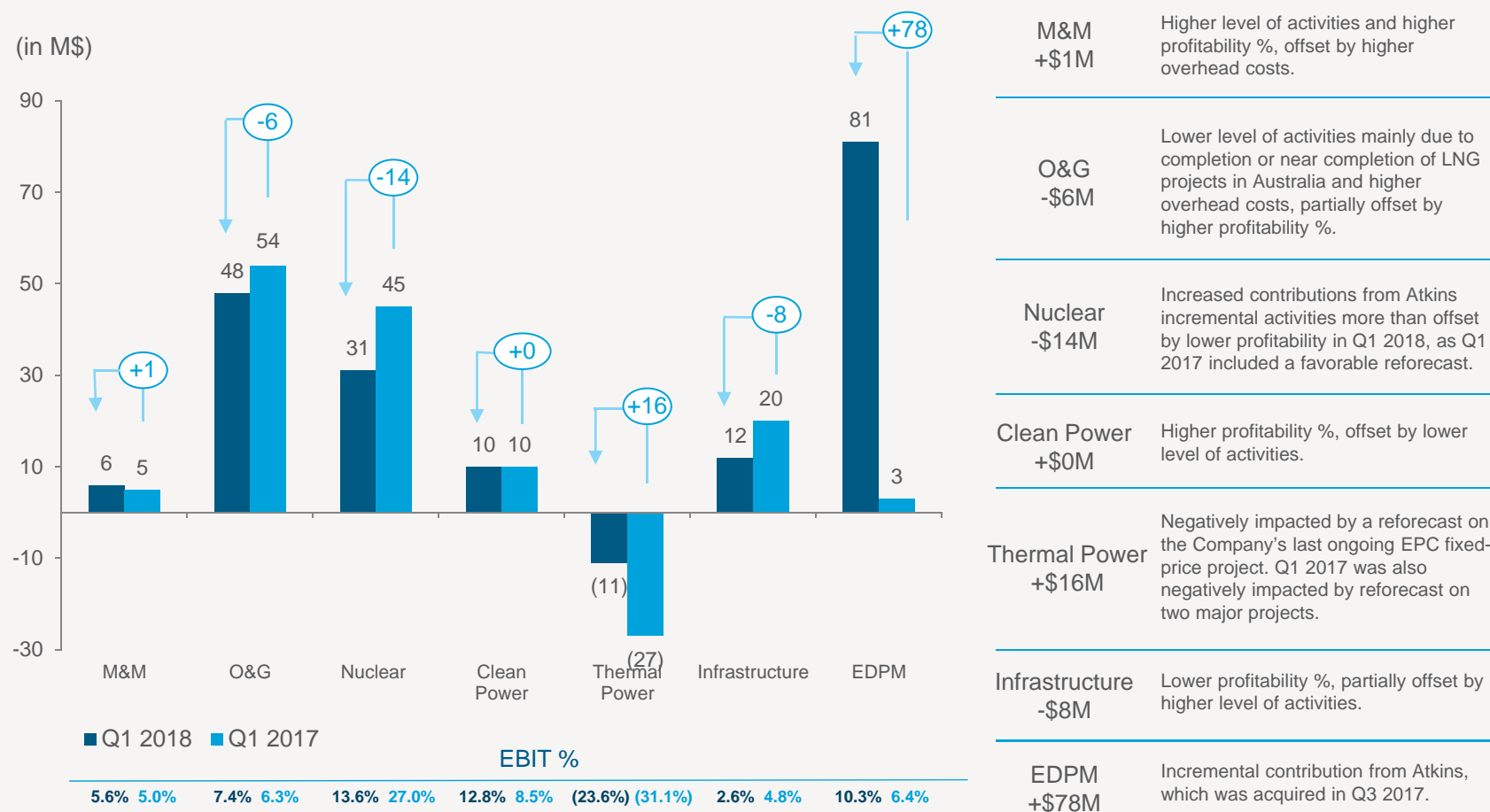
- › \$0.6B of cash and cash equivalents
- › \$1.5B of recourse debt
- › Net recourse debt to adjusted EBITDA ratio of 1.1 and recourse debt to capital ratio of 25:75
- › Issuance of \$525M of three series of unsecured debentures



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* Remaining Performance Obligations, new metric that is replacing the revenue backlog

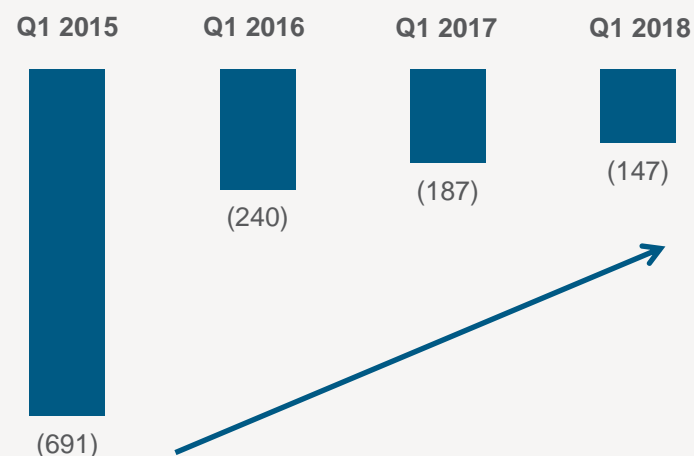
E&C segment EBIT – Q1 2018 vs Q1 2017



2018 Operating Cash Flow

Improved cash flow from operations

(in M\$)



Cash flow from operations:

- › Higher working capital requirements on certain major projects
- › Increase in interest paid

Partially offset by:

- › Higher EBIT from E&C segments and Capital
- › Increase in cash tax received
- › Decrease in restructuring costs paid

Cash Balance as December 31, 2017	707
Cash flow from operations	(147)
Capital expenditures	(31)
Net increase in receivables from long-term concession arrangements	(24)
Increase in recourse debt ¹	898
Repayment of recourse debt ¹	(737)
Dividends to SNC Shareholders	(50)
Other	31
Cash Balance as March 31, 2018	647

¹ Issuance of \$525M unsecured debentures on March 2, 2018, which was used to repay the Term Facility in full and certain indebtedness outstanding under the Revolving Facility

Capital structure and debt ratios

The Company continues to maintain adequate liquidity to pursue its growth strategy

(in M\$, unless otherwise indicated)	Q1 2018	Limited recourse debt	\$1.5B
Net recourse debt	898		
TTM adjusted EBITDA	894	Unused capacity under the \$2.6B committed revolving credit facility	\$2.1B
Less: TTM interest on limited recourse debt*	(75)	Cash and cash equivalents	\$647M
TTM adjusted EBITDA, less interest on limited recourse debt	819		
Net recourse debt to adjusted EBITDA ratio	1.1	Recourse debt to capital ratio	25:75

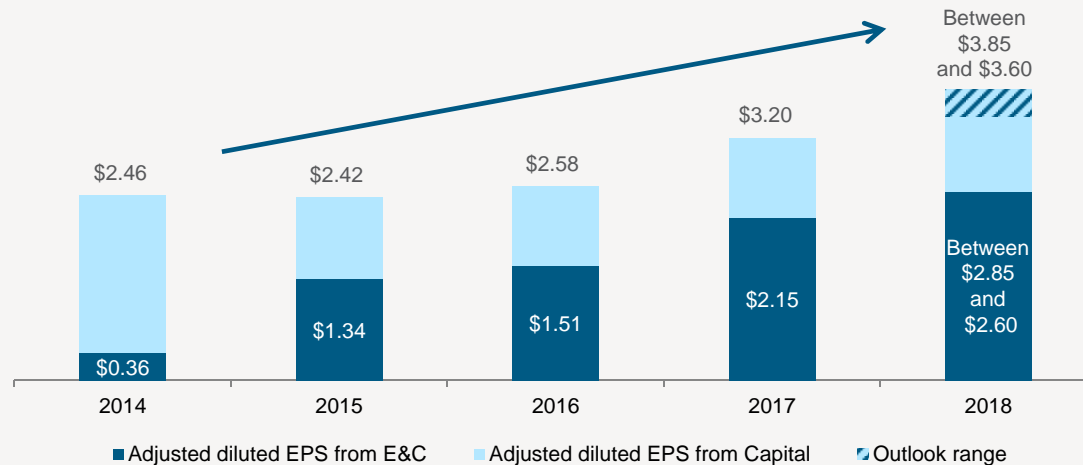
New 5-year non-revolving term loan of \$500M on April 30, 2018
 › Proceeds used to repay tranche B of CDPQ loan

2018 growth outlook

- › Maintaining 2018 outlook
- › Q1 should be the lowest quarter of 2018, gradual increase expected throughout the remaining quarters of the year
- › Tax rate for the adjusted E&C business expected to be between 20% and 25%

2018 Adjusted diluted
EPS from E&C¹
\$2.60 \$2.85

2018 Adjusted consolidated
diluted EPS¹
\$3.60 \$3.85



Questions & Answers

Appendix

2017 restated figures^{1,2} (1 of 2)

On a comparable basis with our new 2018 structure³

(in thousands of \$)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Total	Segment EBIT %
Mining & Metallurgy						
Revenues	101,411	94,827	106,957	129,609	432,804	
Segment EBIT	5,072	6,557	833	3,467	15,929	3.7%
Oil & Gas						
Revenues	856,545	807,236	872,432	912,922	3,449,135	
Segment EBIT	53,633	26,752	56,745	98,441	235,571	6.8%
Nuclear						
Revenues	166,551	127,592	234,577	236,723	765,443	
Segment EBIT	45,035	18,022	42,386	30,766	136,209	17.8%
Clean Power						
Revenues	121,549	127,480	113,447	94,258	456,734	
Segment EBIT	10,322	20,939	21,616	5,357	58,234	12.8%
Thermal Power						
Revenues	85,369	111,556	71,118	63,981	332,024	
Segment EBIT	(26,535)	2,596	(40,643)	(42,404)	(106,986)	(32.2%)
Infrastructure						
Revenues	417,324	556,283	458,549	536,511	1,968,667	
Segment EBIT	19,894	24,103	52,543	32,024	128,564	6.5%



2017 restated figures^{1,2} (2 of 2)

On a comparable basis with our new 2018 structure³

(in thousands of \$)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Total	Segment EBIT %
EDPM (Engineering, Design and Project Management)						
Revenues	39,575	43,187	715,403	893,743	1,691,908	
Segment EBIT	2,529	2,978	60,586	118,775	184,868	10.9%
Capital						
Revenues	60,946	66,712	60,256	50,089	238,003	
Segment EBIT	55,334	54,945	60,839	41,754	212,872	n/a
Reversal of non-controlling interest included above	5,359	(1,985)	(2,370)	112	1,116	
Corporate SG&A and others not allocated to the segments – E&C	(22,169)	(36,039)	(21,792)	(25,206)	(105,206)	
Corporate SG&A and others not allocated to the segments – Capital	(6,392)	(7,070)	(7,123)	(4,815)	(25,400)	
Gain (loss) arising on financial assets at fair value through profit or loss	(6,180)	4,544	312	307	(1,017)	
Restructuring costs	(2,825)	(22,306)	(1,661)	429	(26,363)	
Acquisition-related costs and integration costs	(1,363)	(55,272)	(42,284)	(25,381)	(124,300)	
Amortization of intangible assets related to business combinations	(15,363)	(14,301)	(35,403)	(73,825)	(138,892)	
Gain on disposals of Capital investments	-	5,403	36,675	-	42,078	
Gain (loss) from disposals of E&C businesses	719	287	-	(7)	999	
Gain on disposal of the head office building	-	115,101	-	-	115,101	
EBIT⁴	117,070	145,254	181,259	159,794	603,377	

407 ETR information – Q1

(in M\$, unless otherwise indicated)	Q1 2018	Q1 2017	Change
Revenues	288.5	260.7	10.7%
Operating expenses	37.5	40.2	(6.7%)
EBITDA	251.0	220.5	13.8%
EBITDA as a percentage of revenues	87.0%	84.6%	2.4%
Net Income	96.9	87.4	10.9%
Traffic / Trips (in millions)	28.0	27.5	1.8%
Average workday number of trips (in thousands)	376.7	368.2	2.3%
Vehicle kilometers travelled "VKT" (in millions)	578.3	564.2	2.5%
Dividends paid to SNC-Lavalin	38.0	34.8	9.2%

10.7% increase in revenues
 10.9% increase in net income
 2.5% increase in traffic
 9.2% increase in dividends



Net income reconciliation – Q1

	Net Income , as reported	Net charges related to the restructuring & right-sizing plan and other	Acquisition		Net gain on disposals of E&C business	Impact of U.S. corporate tax reform	Net income, adjusted (Non-IFRS)
			Acquisition- related costs and integration costs	Amortization of intangible assets related to business combinations			
First Quarter 2018							
In M\$							
E&C	31.6	1.3	8.4	46.8	-	1.4	89.5
Capital	46.5	-	-	-	-	-	46.5
	78.1	1.3	8.4	46.8	-	1.4	136.0
Per Diluted share (\$)							
E&C	0.18	0.01	0.04	0.27	-	0.01	0.51
Capital	0.26	-	-	-	-	-	0.26
	0.44	0.01	0.04	0.27	-	0.01	0.77
First Quarter 2017							
In M\$							
E&C	45.3	2.6	1.1	12.3	(0.6)	-	60.7
Capital	44.4	-	-	-	-	-	44.4
	89.7	2.6	1.1	12.3	(0.6)	-	105.1
Per Diluted share (\$)							
E&C	0.30	0.02	0.01	0.08	(0.00)	-	0.40
Capital	0.30	-	-	-	-	-	0.30
	0.60	0.02	0.01	0.08	(0.00)	-	0.70

*Our values are the essence of our company's identity.
They represent how we act, speak and behave together,
and how we engage with our clients and stakeholders.*

S~~A~~*F*~~E~~*T*~~Y~~

*We put safety at the heart of
everything we do, to safeguard
people, assets and the environment.*

I~~N~~T~~E~~G~~R~~I~~T~~Y~~~~~~~~~~~~~~~~

*We do the right thing,
no matter what, and are
accountable for our actions.*

C~~O~~*L*~~L~~*A*~~B~~*O*~~R~~*A*~~T~~I~~*O*~~N~~~~

*We work together and embrace
each other's unique contribution
to deliver amazing results for all.*

I~~N~~N~~O~~*V*~~A~~*T*~~I~~O~~*N*~~~~~~

*We redefine engineering
by thinking boldly, proudly
and differently.*



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