



SNC • LAVALIN



Strategic divestiture of O&G & LSTK litigation matters review update Conference call presentation

February 9, 2021



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 associates, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements or associates. References below to the “Sale Transaction” refer to the sale by the Company of its Resources Oil & Gas business as announced and disclosed in this press release.

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”, “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 and future prospects; (ii) business and management strategies and the expansion and growth of the Company’s operations; and (iii) the expected impacts of the COVID-19 pandemic on the business and its operating and reportable segments as well as elements of uncertainty related thereto and other near-term risks and uncertainties, and (iv) the announced Sale Transaction and the expected impact thereof on SNC-Lavalin’s strategic and operational plans and financial results, the expected completion of the Sale Transaction, the anticipated cash consideration therefrom and the timing for completion thereof. 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 include the satisfaction of all conditions to closing the Sale Transaction and the receipt of all necessary regulatory (including competition authority) and other consents and approvals, as well as the assumptions are set out throughout the Company’s annual 2019 Management Discussion and Analysis (MD&A) (particularly in the sections entitled “Critical Accounting Judgments and Key Sources of Estimation Uncertainty” and “How We Analyze and Report our Results”) and as updated in the first, second and third quarter 2020 MD&A. 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 or implied by these forward-looking statements. In relation to the Sale Transaction, these risks include: the failure to receive or delay in receiving regulatory (including competition authority) approvals or otherwise satisfy the conditions to the completion of the Sale Transaction or delay in completing the Sale Transaction and uncertainty regarding the length of time required to complete the Sale Transaction; and the impact of the announcement of the Sale Transaction on SNC-Lavalin’s relationships with third parties, including commercial counterparties, employees and competitors, strategic relationships, operating results and businesses generally. Other risk factors are also set out in the Company’s 2019 annual MD&A and as updated in the first, second and third quarter 2020 MD&A.

Non-IFRS Financial Measures

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS measures are used by the Company in this presentation: Segment Adjusted EBIT and Segment Adjusted EBIT to revenue ratio. Additional details for these non-IFRS measures can be found in Section 9 of SNC-Lavalin’s MD&A for the third quarter of 2020, filed with the securities regulatory authorities in Canada, available on SEDAR at www.sedar.com and on the Company’s website at www.snc-lavalin.com under the “Investors” section, including the various reconciliations of non-IFRS to the nearest corresponding IFRS measures in section 4.6.4 and 9.3 of the third quarter 2020 MD&A. 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 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 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 are presented solely “from PS&PM”, as the Company believes that such measures are useful mainly for its PS&PM activities, as its Capital activities are usually analyzed separately by the readers using other measures.

Significant step forward in de-risking the business and accelerating strategy

1

Strategic divestiture of the Resources Oil & Gas (O&G) business

- › Significant step forward in the Company's strategy to reduce its risk profile and accelerate its ongoing transition to becoming a leading provider of professional engineering services and project management solutions

2

Review of legacy LSTK litigation matters and commercial claims completed

- › Previously announced risk review was expanded to include all significant litigation matters and commercial claims receivable to ensure a holistic review of legacy risks

3

Remaining Canadian LSTK infrastructure projects continue to progress well, costs to complete reassessed in light of COVID-19

4

Previously announced financial outlook for SNCL Engineering Services reconfirmed



1 Strategic divestiture of Resources O&G business

Expected benefits from transaction

**Significantly
lowers
Company's
risk profile**

- ✓ Simplifies Company's corporate structure and enables management to dedicate more time, effort and resources to growing the higher margin and more stable Engineering Services business; accelerates strategy to become a leading provider of professional engineering services and project management solutions
- ✓ Significantly reduces operational and execution risk
- ✓ Enables a clean exit from active / near-completion O&G LSTK projects
- ✓ Reduces delivery and warranty obligations on O&G LSTK projects
- ✓ Important milestone in the Company's journey towards its Sustainability-focused business strategy

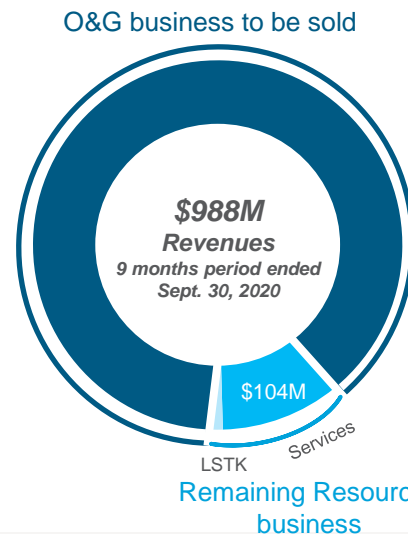


1 Strategic divestiture of Resources O&G business

Transaction overview

- › Entered into a binding agreement to sell its O&G business, including Services and LSTK, to Kentech Corporate Holdings Limited
- › Purchaser assumes 100% of active EPC and services contracts
- › Business represented ~90% of the Resource's Segment revenues (9 months period ended September 30, 2020)
- › Includes backlog of \$745M¹
- › Includes ~7,100 employees
- › At closing, the transaction is expected to create a gain on sale
 - › O&G business classified as an "Asset Held for Sale" in Q4 2020 and expected to result in a fair value write-down in the range of \$260 to 295M, almost entirely non-cash in nature
 - › Expect at closing a gain on the sale in excess of the fair value write-down, due to the elimination of foreign exchange Cumulative Translation Adjustments² ("CTA") included in the historical carrying amounts
- › Closing is targeted for Q2 2021

Resources Segment Revenues



¹ Backlog position as at September 30, 2020

² Referred to as "Exchange differences on translating foreign operations" in the Company's Consolidated Statements of Comprehensive Income

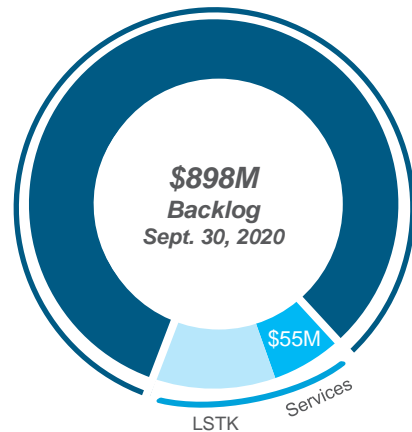
1 Strategic divestiture of Resources O&G business (cont'd)

Remaining Resources business

- › Remaining Resources business will be mainly comprised of Services projects in the Mining and Metallurgy (“M&M”) sector
- › Three completed Resources project positions, including their historical claims and litigation matters, have been reassessed based on the latest information including ongoing commercial discussions with clients
- › An updated cost forecast was also completed in Q4 2020 on the one remaining Resources M&M LSTK project (Project #1²) which is expected to be completed in 2021
- › Charge of \$95M, for which ~30% is non-cash, to be taken in Q4 2020 based on these actions

Resources Backlog

O&G business to be sold



Remaining Resources
business

¹ Backlog position as at September 30, 2020

² Refer to slide 26 in the Third Quarter 2020 Conference Call Presentation

2 Review of legacy LSTK litigation matters & claims completed

What was the scope and who was involved?

- › Review included remaining LSTK legacy litigation matters and all other significant litigation matters, including commercial claims receivable on all legacy and ongoing LSTK projects
 - › Initial mandate, which included LSTK legacy litigation matters, was expanded to include all other significant litigation matters to ensure completeness
 - › Review process was an enhancement of the robust process normally done in connection with the preparation of the financial statements
- › Review also incorporated latest commercial discussions with customers, updated cost forecasts, and realized litigation matter outcomes
- › Assessment performed by senior management utilizing internal and external experts and advisors
 - › Review conducted by external counsel, from Canada, the US and the U.K., with significant complex construction litigation expertise
 - › Process overseen by a Special Risk Review Committee, established during Q4 and composed of the Chairman of the Board and four other independent board members



2 Review of legacy LSTK litigation matters & claims completed (cont'd)

What was the process?

- › Performed a deep-dive review of all litigation matters, including LSTK legacy litigation and all other significant litigation matters, to identify matters that may have a potential for significant impact
 - › 20 matters identified having potentially greater risk profiles
- › External counsel reviewers focused on the matters having potentially greater risk profiles
 - › Based on new and updated information, 7 matters determined as requiring additional provisions
- › A further internal review was performed on the remaining LSTK legacy litigation matters and other significant litigation matters, including the commercial claims receivable
 - › Based on new and updated information, 6 commercial claims receivable determined to require adjustments

Conclusion

- › \$140M provisions and \$155M commercial claims receivable reduction to be recognized in Q4 2020
 - › ~75% non-cash in nature, with the balance impacting cash and spread over future years depending on the eventual timing of litigation outcomes
- › Notwithstanding these provisions, Company will continue to aggressively pursue all claims receivable which it believes it is entitled to contractually, and will vigorously defend the litigation matters

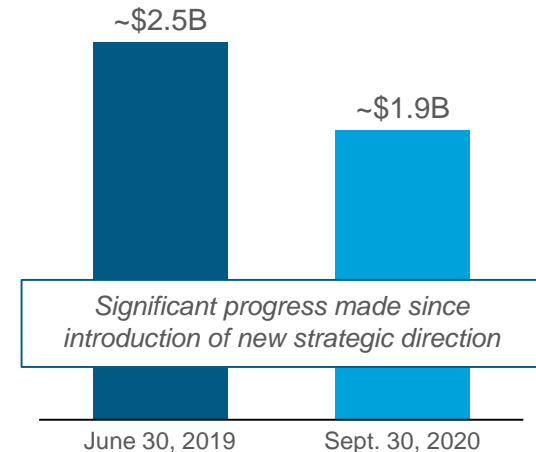


3 Canadian infrastructure LSTK projects completion costs review

Reviewed completion costs in light of COVID-19 impact and challenges

- › Projects continue to be materially affected by lower productivity attributable to revised working conditions and supply chain disruptions caused by COVID-19, creating unprecedented challenges
 - › Completed a cost reassessment based on latest facts and information
- › In light of the ongoing uncertainty on the timing and scope of reimbursement of COVID-19 incremental costs, no revenue associated with the additional COVID-19 costs being recognized
- › \$90M charge to be taken in Q4 2020, most of which is related to COVID-19 challenges
- › Company believes it is entitled to reimbursement for these additional COVID-19 costs, but will not recognize any recovery until further clarity is forthcoming

Canadian infra LSTK projects backlog



Remain intensely focused on managing and completing the remaining projects

3 Canadian infrastructure LSTK projects completion costs review (cont'd)

Canadian Light Rail projects continue to progress well

REM



- › Major milestones achieved
- › Project test track and installations delivered
- › Launch of the airport tunnel boring operations
- › Completion of the pillars and pier caps and >50% of the spans of the elevated guideway

Partners: SNC-Lavalin (24%), Aecon (24%), Dragados (24%), Pomerleau (14%), EBC (14%)

Trillium



- › Design well advanced and proceeding into busiest year of construction
 - › Construction of all stations and the MSF¹ underway
 - › 12 bridges under construction
 - › Girder installation on Airport Elevated Guideway complete
 - › Stadler vehicle manufacturing has commenced
- 100% SNC-Lavalin*

Eglinton

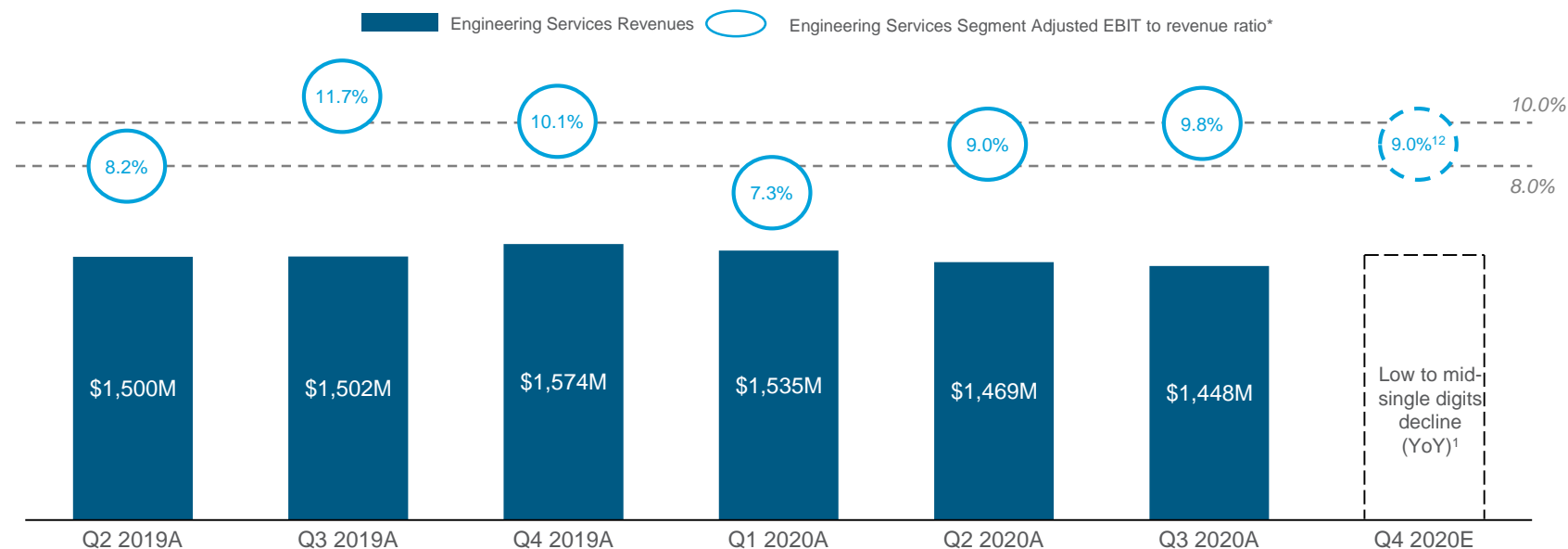


- › Final tunnel demolition completed
- › Light Rail Vehicle testing underway on test track between the MSF¹ and Caledonia Station
- › Permanent energization of the eastern line portion
- › Three stations almost fully completed²
- › Installation: Overhead catenary >50%, track >75%

Partners: SNC-Lavalin (25%), Aecon (25%), ACS Infrastructure (25%), EllisDon (25%)

¹ Maintenance and Storage Facility
² Mount Dennis, Keeleleedale and Science Centre

4 SNCL Engineering Services 2020 Outlook Reconfirmed



Engineering Services has been delivering strong results

*Non-IFRS financial measures. Refer to Section 9 of the Company's Q3 2020 MD&A for Non-IFRS financial measures definition and reconciliation to IFRS measures. See also the cautionary statement regarding Non-IFRS financial measures at slide 2. www.snclavalin.com/en/investors/financial-information/quarterly-reports

¹ Outlook provided in the Company's Q3 2020 results announcement

² Mid-point of guidance of a Segment Adjusted EBIT to revenue ratio* between 8.5% and 9.5%



SNC • LAVALIN

Significant progress over the past 18 months

Strategic direction (July 2019)

- 1** Exit LSTK contracting work
- 2** Reorganize the Company
- 3** Transformation of Resources segment

Key milestones

- › Stopped bidding on LSTK projects
 - › Entered into a binding agreement to sell O&G business, including Services and LSTK, significantly reducing operational and execution risk
 - › Completed review of LSTK litigation matters and commercial claims receivable
 - › Progressed and completed Infrastructure LSTK projects (only 3 remaining)
-
- › Simplified and reorganized the Company into two business lines: SNCL Engineering Services and SNCL Projects
 - › Several executive and Board member appointments
-
- › Closure of Valerus, mid-stream O&G production and processing facilities
 - › Divestment of European Fertilizer business
 - › Disposal of South African Resources business
 - › Sale of entire remaining Resources O&G business

Conclusion

Actions taken

- › Strategic divestiture of the Resources Oil & Gas business
- › Completed an expanded review of legacy LSTK litigation matters and all other significant litigation matters and commercial claims receivable
- › Reassessed costs to complete the remaining three Canadian LSTK infrastructure projects in light of COVID-19

We believe this will ...

- ✓ Accelerate strategy to become a leading provider of professional engineering services and project management solutions, reduce risk related to remaining O&G LSTK delivery and warranty obligations, and represent an important milestone on the Company's journey towards its sustainability-focused business strategy
- ✓ Reduce remaining financial uncertainty associated with legacy businesses
- ✓ Allows Company to further focus on its strategy of realizing the value and growth potential of Engineering Services business (EDPM, Nuclear, Infrastructure Services)



Questions & Answers

Appendix

Financial impacts summary

	Amount ¹ (in \$M)	Cash / Non-cash	Segment	Recognized in
Strategic divestiture of the Resources Oil & Gas business				
Fair value write-down of Oil & Gas business	(260-295)	Largely non-cash	Discontinued operations	Q4 2020
Elimination of foreign exchange CTA ² included in the historical carrying amount of the disposed O&G business	Expected to be greater than above FV write down	Non-cash	Discontinued operations	At closing, targeting Q2 2021
Charge for remaining LSTK M&M project and other historical claims and litigation matters in the Resources sector	(95)	~30% Non-cash	Resources	Q4 2020
Review of legacy LSTK litigation matters and all other significant claims				
Commercial claims receivable reduction	(155)	~75% Non-cash	10% Corporate, 10% Resources, 80% Infrastructure EPC Projects	Q4 2020
Additional provisions related to legacy litigation matters	(140)			
Reassessment of the three remaining Canadian LSTK infrastructure projects cost to complete				
Additional charge, mainly due to unprecedented COVID-19 challenges	(90)	Cash	Infrastructure EPC Projects	Q4 2020

¹ Amounts are before taxes

² Referred as "Exchange differences on translating foreign operations" in the Company's Consolidated Statements of Comprehensive Income

Canadian infrastructure LSTK projects

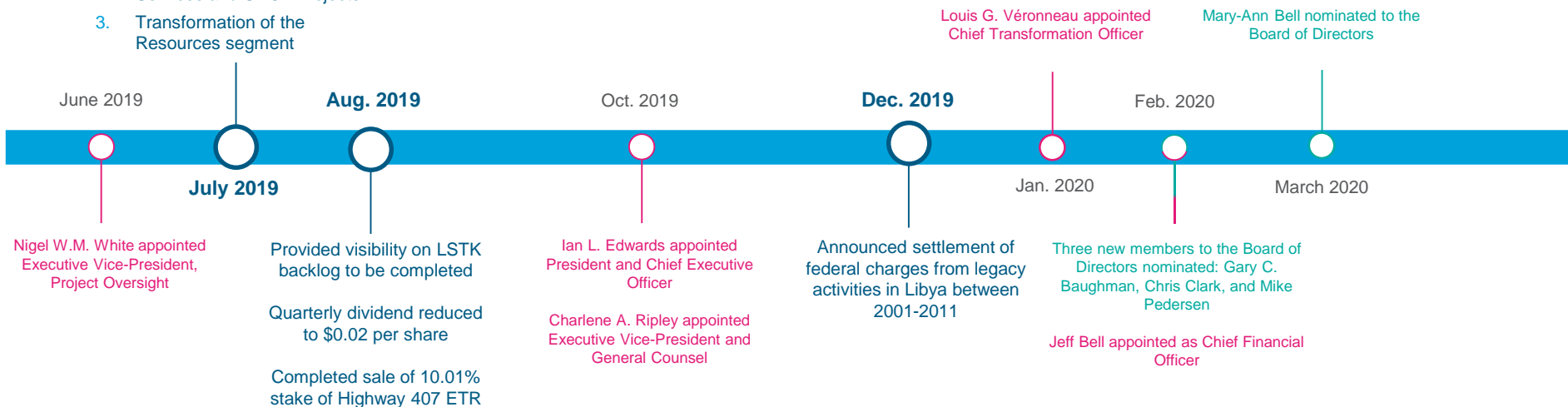
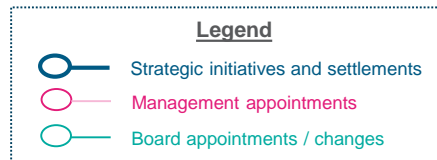
Infrastructure Project	Country	Backlog (\$M)		Completion % (SNCL portion)	
		June 30, 2019	September 30, 2020	June 30, 2019	September 30, 2020
REM (LRT)	Canada	<1,050	<900	15	40
Trillium (LRT)	Canada	<800	<600	5	25
Eglinton (LRT)	Canada	<600	<350	55	75
OLRT (LRT)	Canada	<100	In Operation	90	In Operation
Champlain Bridge	Canada	<50	In Operation	95	In Operation
Total		~\$2.5B	~\$1.9B		



Over the past 18 months ago we have made significant strides ...

New strategic direction introduced

1. Exiting LSTK construction work
2. Reorganizing the company into SNCL Engineering Services and SNCL Projects
3. Transformation of the Resources segment



... in advancing Company's strategy and de-risking the business

