



SNC • LAVALIN

SECOND QUARTER 2015

Conference Call Presentation
August 6th, 2015

Agenda

Forward-looking Statements

- Denis Jasmin,
Vice-President, Investor Relations

CEO Remarks

- Robert G. Card,
President and Chief Executive Officer

Financial Review

- Alain-Pierre Raynaud,
Executive Vice-President and Chief Financial Officer

Q&A with CEO, CFO and Neil Bruce, Chief Operating Officer

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 and potential synergies resulting from the Acquisition. 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 2014 Management Discussion and Analysis (MD&A), as updated in the Company’s Second Quarter 2015 MD&A. The 2015 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 2015. 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 2014 MD&A.

The 2015 outlook referred to in this presentation is forward-looking information and is based on the methodology described in the Company’s 2014 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 2015 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.

The background of the slide is a dark blue, textured overlay on an aerial photograph of a city skyline. A large, light blue triangle points from the top right towards the center. A smaller, solid blue triangle is located in the bottom right corner.

CEO REMARKS

**ROBERT G. CARD
PRESIDENT AND CHIEF EXECUTIVE
OFFICER**

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FINANCIAL REVIEW

ALAIN-PIERRE RAYNAUD
EXECUTIVE VICE-PRESIDENT AND
CHIEF FINANCIAL OFFICER

Consolidated income statement

(in millions CAD\$)

	Second Quarter		June YTD	
	2015	2014	2015	2014
Revenues				
Services	941.3	558.7	1,810.9	1,062.2
Packages	1,030.8	625.0	2,008.8	1,235.2
Operations and Maintenance (O&M)	219.8	284.0	577.2	659.2
Infrastructure Concession Investments (ICI)	58.5	228.8	110.6	460.0
Total Revenues	2,250.4	1,696.5	4,507.4	3,416.6
Gross Margin				
From E&C	247.9	186.4	537.4	411.2
From ICI	53.7	162.3	101.3	294.4
Selling, General and Administrative expenses	223.6	208.3	430.2	395.1
Earnings before below items	78.0	140.4	208.5	310.5
Restructuring costs	7.7	0.8	8.2	2.0
Acquisition-related costs and integration costs	5.5	25.9	13.4	25.9
Amortization of intangible assets	21.1	-	42.1	-
Net financial expenses (income)	13.8	63.6	(18.9)	114.2
Income taxes	(1.0)	17.9	28.0	41.5
Non-controlling interests	4.4	0.1	4.8	0.2
Net income attributable to SNC-Lavalin shareholders	26.5	32.1	130.9	126.7
Net income				
From E&C	(18.5)	(46.9)	48.5	(16.0)
From ICI	45.0	79.0	82.4	142.7
Net income attributable to SNC-Lavalin shareholders	26.5	32.1	130.9	126.7
Adjusted net income				
From E&C	8.2	(26.9)	65.0	4.6
From ICI	45.0	78.9	82.4	142.7
Adjusted net income attributable to SNC-Lavalin shareholders	53.2	52.0	147.4	147.3
Adjusted E&C EBITDA	48.6	11.0	150.1	77.2
Adjusted E&C EBITDA %	2.2%	0.7%	3.4%	2.6%

Net income adjusted

(in millions CAD\$ except per share amount)

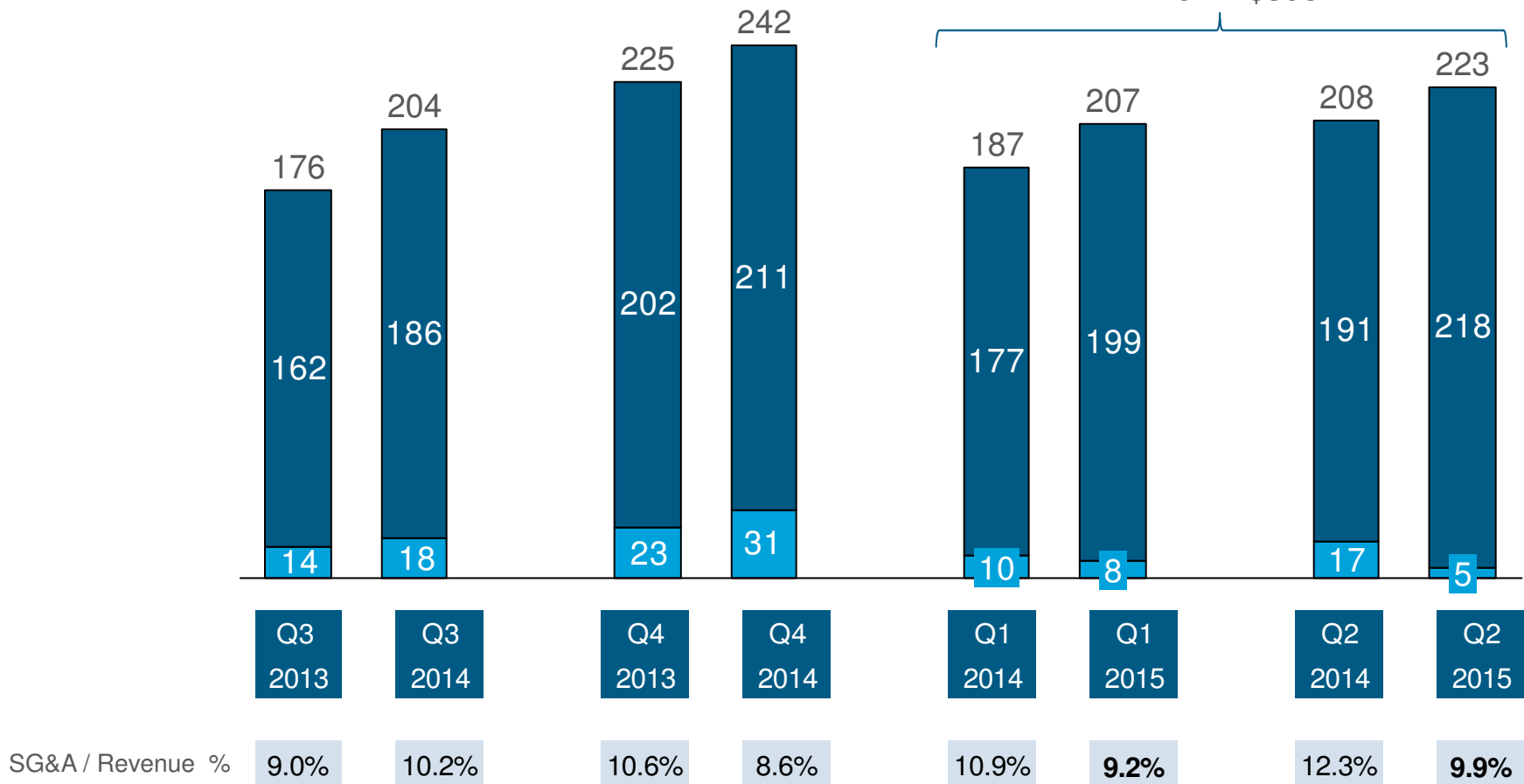
Six Months Ended June 30, 2015						
	Net income, as reported	Charges related to the restructuring and right-sizing plan announcement of November 6, 2014	Acquisition of Kentz		One-time net foreign exchange gain	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets		
E&C	48.5	6.4	10.7	32.0	(32.6)	65.0
ICI	82.4	-	-	-	-	82.4
	130.9	6.4	10.7	32.0	(32.6)	147.4
<i>Per diluted share (\$)</i>						
E&C	0.32	0.04	0.07	0.21	(0.21)	0.43
ICI	0.54	-	-	-	-	0.54
	0.86	0.04	0.07	0.21	(0.21)	0.97

Six Months Ended June 30, 2014						
	Net income, as reported	Charges related to the restructuring and right-sizing plan announcement of November 6, 2014	Acquisition of Kentz		Other restructuring costs (recorded before November 6, 2014)	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets		
E&C	(16.0)	-	19.6	-	1.0	4.6
ICI	142.7	-	-	-	-	142.7
	126.7	-	19.6	-	1.0	147.3
<i>Per diluted share (\$)</i>						
E&C	(0.11)	-	0.13	-	0.01	0.03
ICI	0.94	-	-	-	-	0.94
	0.83	-	0.13	-	0.01	0.97

SG&A trend by quarter

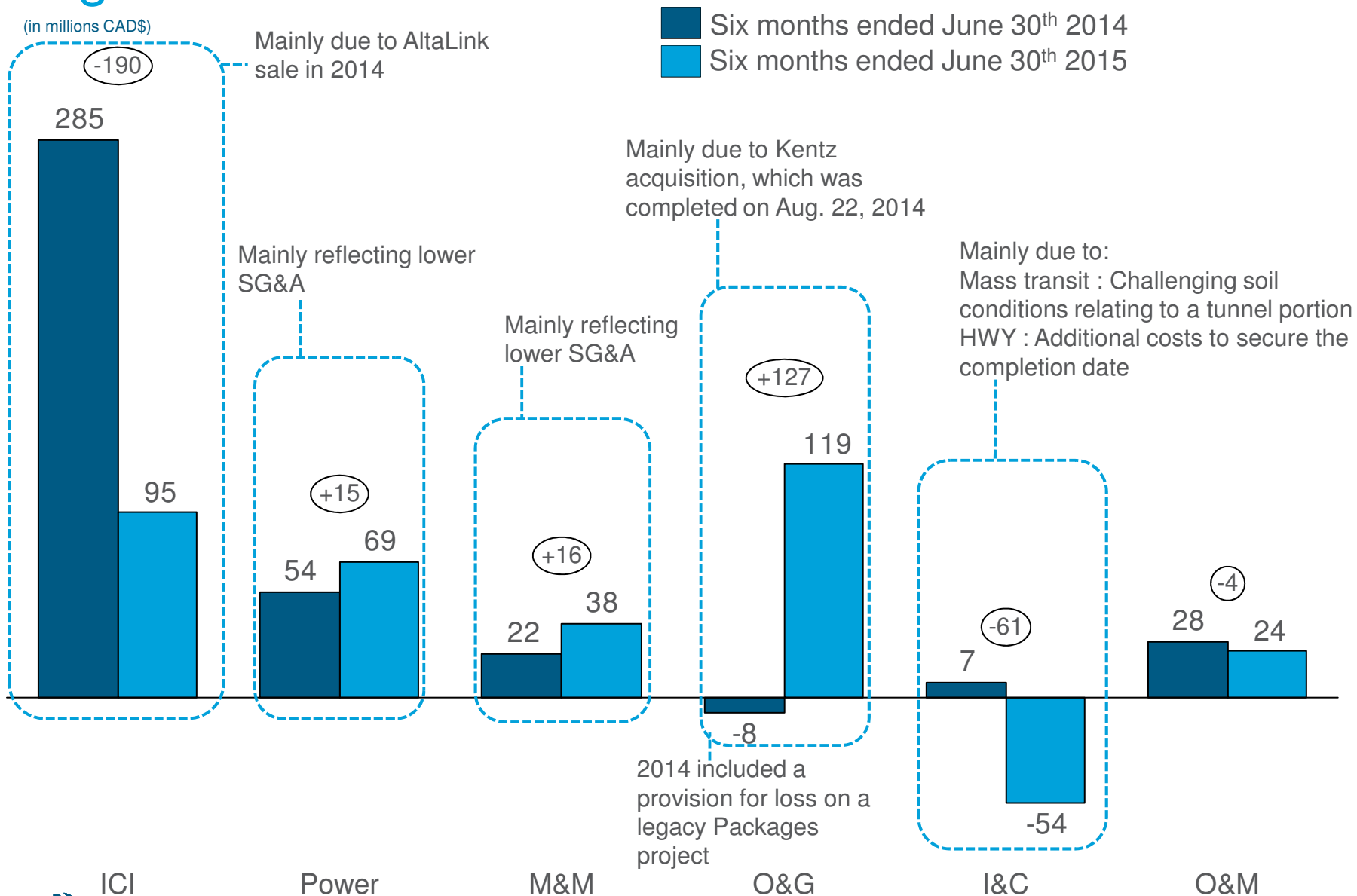
(in millions CAD\$)

■ E&C
■ ICI



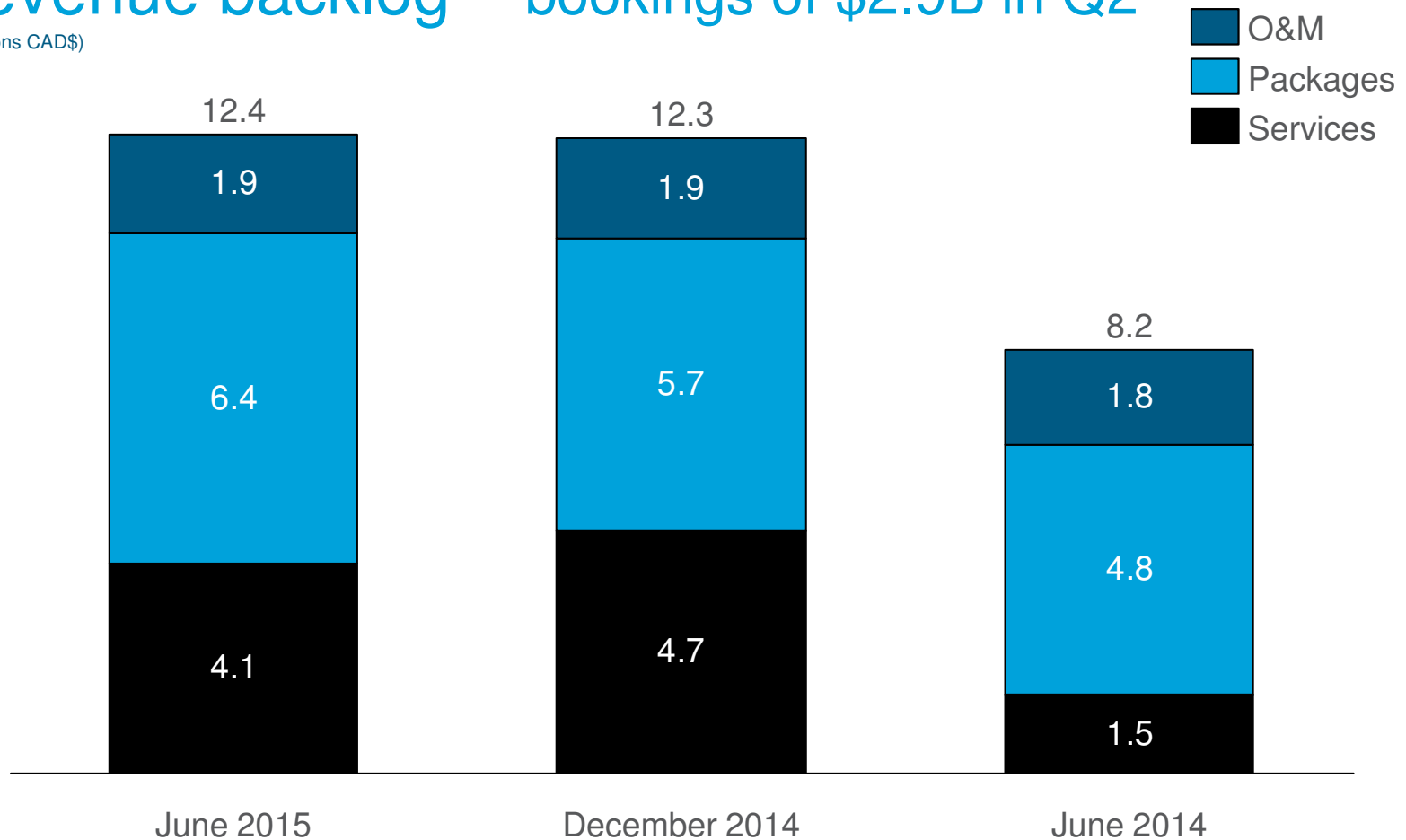
Segment EBIT

(in millions CAD\$)



Revenue backlog – bookings of \$2.9B in Q2

(in billions CAD\$)



The Eglinton Crosstown Light Rail Transit project reached financial close in July 2015, therefore it was not included in June revenue backlog. This project will be booked in Q3 2015.

(in millions CAD\$)

Cash and cash equivalents
Other current assets
Property and equipment
ICI accounted for by the equity or cost methods
Goodwill
Intangible assets related to Kentz acquisition
Other non-current assets and deferred income tax asset

- Current portion of long-term debt :
 - Recourse
 - Non-recourse from ICI
- Current liabilities
- Long-term debt:
 - Recourse
 - Non-recourse from ICI
- Other non-current liabilities and deferred income tax liability

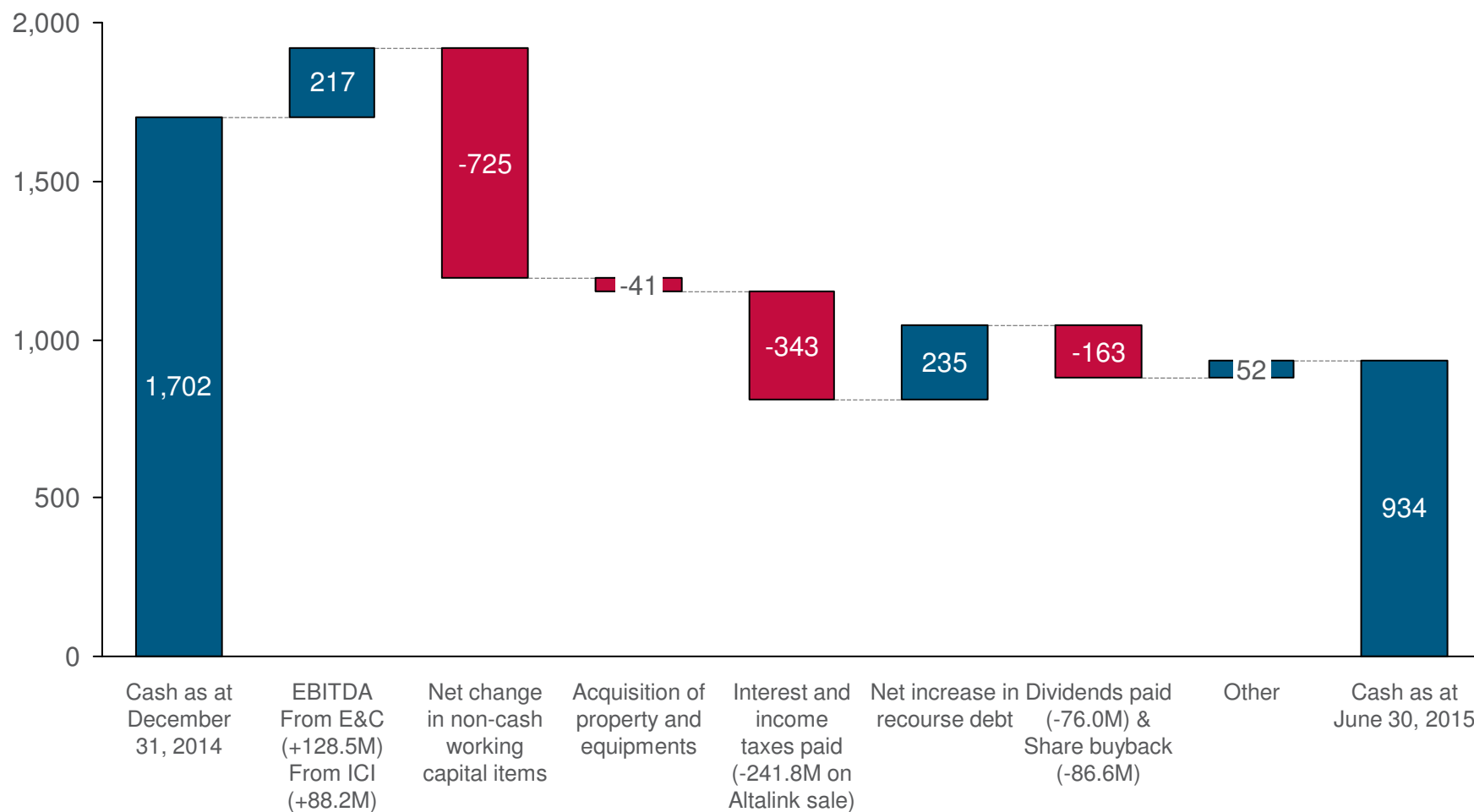
Equity attributable to SNC-Lavalin shareholders
Non-controlling interests

Recourse debt to capital ratio



Cash flows – 2015

(in millions CAD\$)



2015 outlook

- ✓ **The Company is maintaining its previously announced 2015 outlook for the adjusted EPS from E&C, which is expected to be in the range of \$1.30 to \$1.60^①.**
- ✓ **The Company is also maintaining its 2015 outlook for the reported IFRS EPS, which is expected to be in the range of \$1.80 to \$2.10.**

^① Adjusted EPS from E&C guidance excludes: 1) One-time net foreign exchange gain of \$33M (after taxes) 2) Amortization of intangible assets incurred in connection with the acquisition of Kentz (~ \$65M after taxes); and 3) Charges related to the restructuring and right-sizing plan, and acquisition and integration costs (~ \$60M after taxes)

Q&A




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