



Third Quarter 2015

Conference Call Presentation

November 5th, 2015



Agenda

.Forward-looking Statements

- › Denis Jasmin, Vice-President, Investor Relations

CEO Remarks

- › Neil Bruce, President and Chief Executive Officer

Financial Overview

- › Alain-Pierre Raynaud, 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 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 Third 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 features a blue-tinted aerial photograph of a city skyline, with various skyscrapers and buildings visible. A large, dark blue triangular shape covers the left and bottom-left portions of the slide. The top-right corner is a light blue gradient, and a smaller, solid blue triangle is positioned at the bottom-right corner.

CEO Remarks

Neil Bruce,
President and Chief Executive Officer



Financial Overview

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

Third Quarter 2015 Results

- › Reported IFRS net income attributable to SNC-Lavalin shareholders of \$224.2 million, or \$1.49 per diluted share, compared with \$60.0 million, or \$0.39 per diluted share
- › Net gain on an ICI disposal of \$145.7 million, or \$0.96 per diluted share
- › Adjusted net income from E&C of \$70.6 million, or \$0.47 per diluted share, compared with \$27.6 million, or \$0.18 per diluted share
- › Adjusted net income from ICI of \$45.2 million, or \$0.31 per diluted share, compared with \$92.1 million, or \$0.60 per diluted share
- › Bookings of \$2.7 billion, revenue backlog rises to a record high of \$12.7 billion
 - Bookings of \$1.6 billion in Infrastructure
 - Bookings of \$0.6 billion in Oil & Gas
- › Cash and cash equivalents of \$1.5 billion at September 30, 2015
 - Decrease in recourse debt of \$145.0 million

Third Quarter 2015 Financial Performance

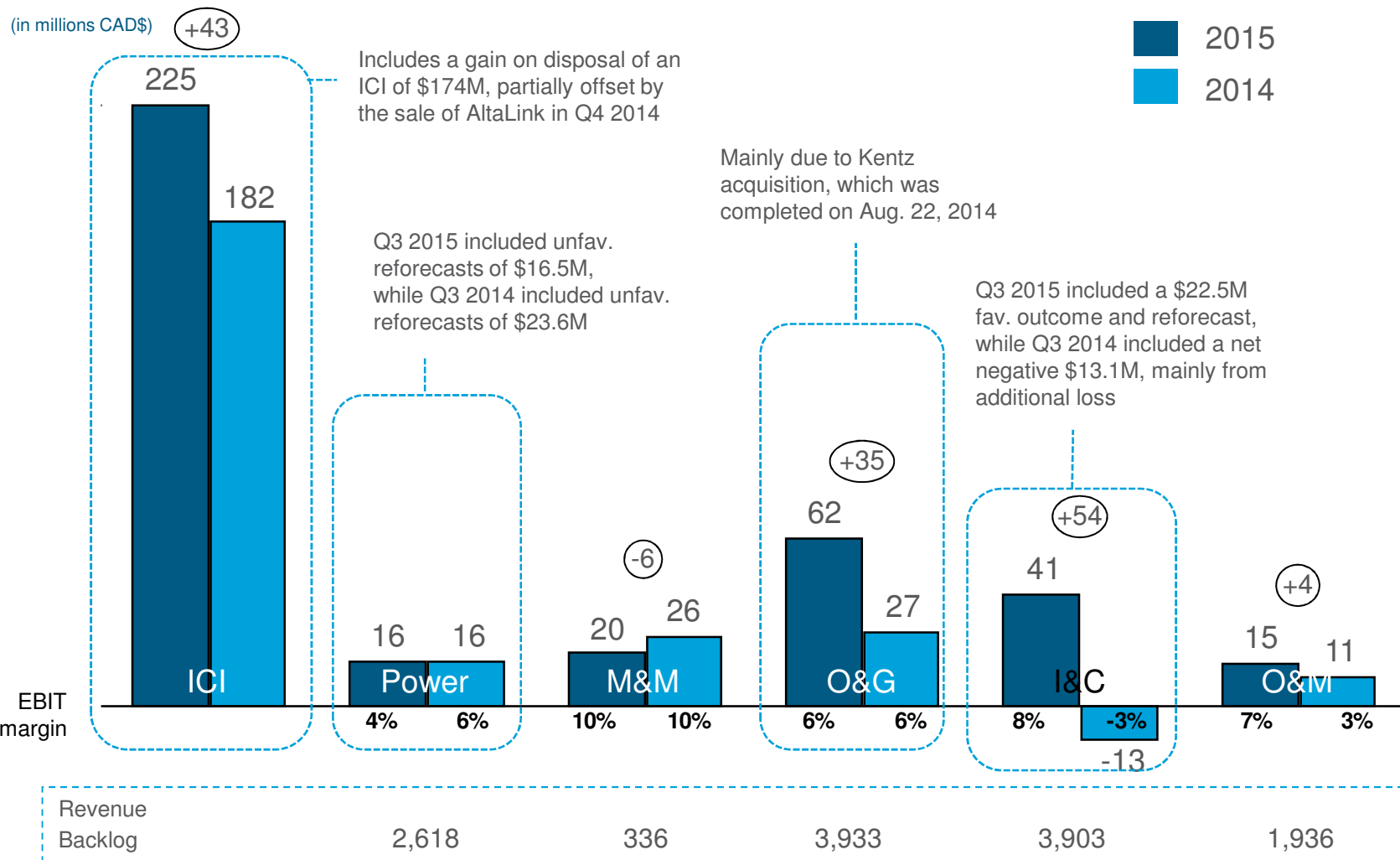
	E&C		ICI		Total	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Revenues	2,376	1,761	57	243	2,433	2,004
Segment EBIT	155	66	225	182	380	248
EBITDA, As reported	119	24	221	162	340	186
EBITDA, Adjusted	138	68	47	166	185	234
EBITDA margin	6%	4%	n/a	n/a	8%	12%
Net income, As reported	33	(29)	191	89	224	60
Net income, Adjusted	71	28	45	92	116	120
EPS, As reported (\$)	0.22	(0.19)	1.27	0.58	1.49	0.39
EPS, Adjusted (\$)	0.47	0.18	0.31	0.60	0.78	0.78
Revenue Backlog					12,726	12,514



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In M\$, unless otherwise indicated

Segment EBIT – Q3

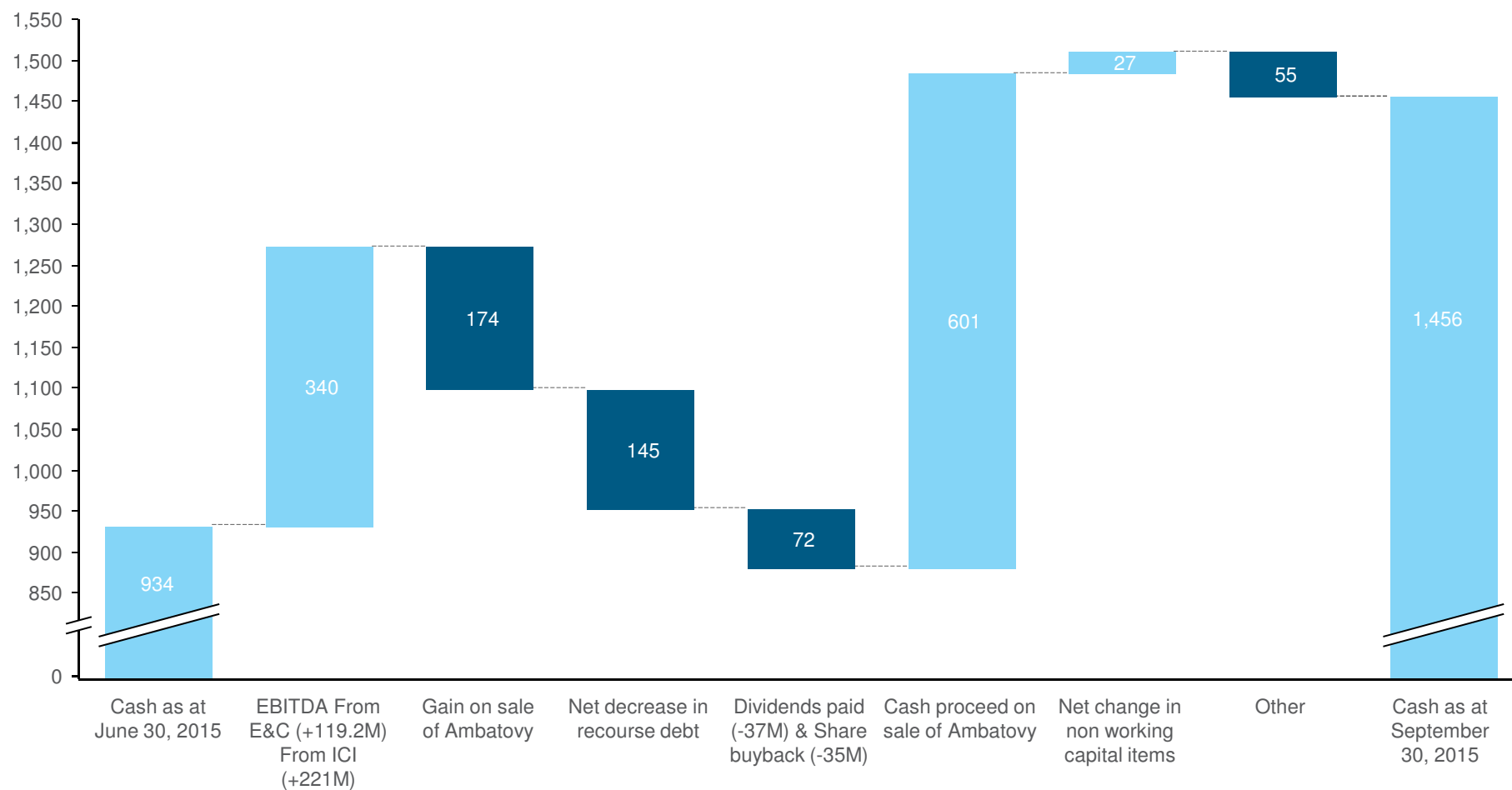


Restructuring Update

- › \$13.4 million (\$10.2 million after taxes) of charges recorded in Q3, relating to previously announced restructuring and right-sizing plan
 - \$21.6 million (\$16.6 million after taxes) YTD 2015
- › Launched “Step Change” program in October 2015
- › Expect to spend a further approximate amount of \$50 million (after taxes) in addition to the \$40 million announced in Q2 2015
 - Expect to be recognized in Q4 2015
- › Objective:
 - Further improve our operational efficiency and reduce our cost base by the end of 2015
 - Make us more competitive and provide better value to our clients
 - Aim to deliver an annualized E&C EBITDA margin of 7% in 2017

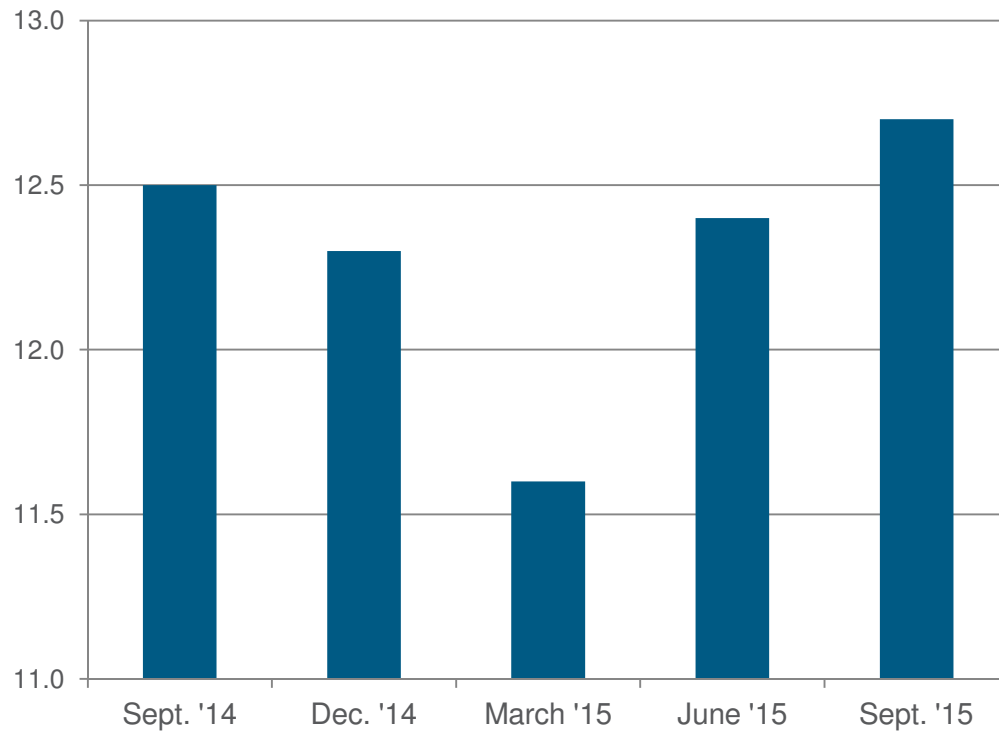
Cash flows – Q3 2015

(in millions CAD\$)

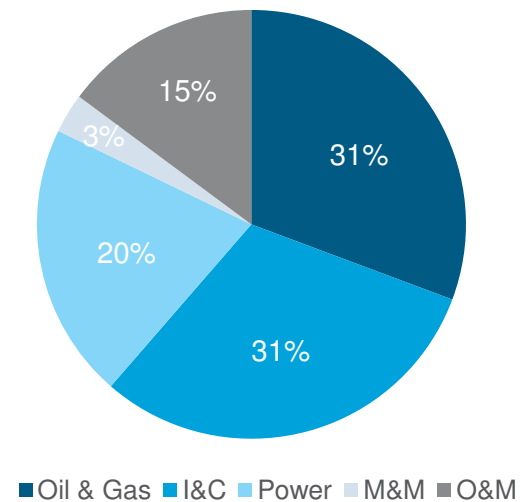
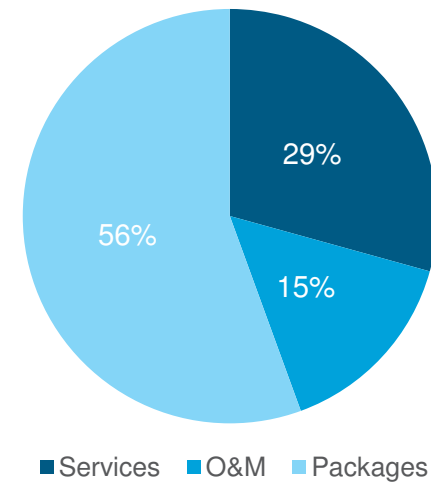


Revenue backlog

(in billions CAD\$)



By Category and Segment



Outlook

- › Maintaining 2015 adjusted EPS from E&C guidance range to \$1.30 to \$1.60 per diluted share
 - Expects to be at the lower end of the range
- › Increasing 2015 reported IFRS EPS guidance range to \$2.40 to \$2.70 from \$1.80 to \$2.10 per diluted share
 - Mainly due to the third quarter net gain on disposal of an ICI, partially offset by additional charges related to the newly initiated “Step Change” plan
- › Differences between adjusted EPS from E&C and reported IFRS EPS
 - EPS from ICI
 - Net gain on ICI disposal of \$146 million (after taxes)
 - One-time net foreign exchange gain of \$33 million (after taxes) recorded in the first quarter of 2015
 - Charges related to the original restructuring and right-sizing and “Step Change” plans and acquisition and integration costs expected to be approximately \$110 million (after taxes)
 - Amortization of intangible assets in connection with Kentz acquisition expected to be approximately \$70 million (after taxes)

Net income reconciliation – Q3

(in millions CAD\$ except per share amount)

Thrid Quarter Ended September 30, 2015						
	Net income, as reported	Charges related to the restructuring and right-sizing plan announcement of November 6, 2014	Acquisition of Kentz		Net gain on ICI disposals	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets		
E&C	33.3	10.2	4.4	22.7	-	70.6
ICI	190.9	-	-	-	(145.7)	45.2
	224.2	10.2	4.4	22.7	(145.7)	115.8
Per diluted share (\$)						
E&C	0.22	0.07	0.03	0.15	-	0.47
ICI	1.27	-	-	-	(0.96)	0.31
	1.49	0.07	0.03	0.15	(0.96)	0.78
Third Quarter Ended September 30, 2014						
	Net income, as reported	Net loss on ICI disposals	Acquisition of Kentz			Net income, adjusted
			Acquisition-related costs and integration costs	Financial expenses	Amortization of intangible assets	
E&C	(28.9)	-	27.5	9.1	9.0	27.6
ICI	88.9	3.2	-	-	-	92.1
	60.0	3.2	27.5	9.1	9.0	119.7
Per diluted share (\$)						
E&C	(0.19)	-	0.18	0.06	0.06	0.18
ICI	0.58	0.02	-	-	-	0.60
	0.39	0.02	0.18	0.06	0.06	0.78

Net income reconciliation – 9 months

(in millions CAD\$ except per share amount)

Nine Months Ended September 30, 2015							
	Net income, as reported	Charges related to the restructuring and right-sizing plan announcement of November 6, 2014	Acquisition of Kentz		Net gain on ICI disposals	One-time net foreign exchange gain	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets			
E&C	81.9	16.6	15.1	54.7	-	(32.6)	135.7
ICI	273.2	-	-	-	(145.7)	-	127.5
	355.1	16.6	15.1	54.7	(145.7)	(32.6)	263.2
<i>Per diluted share (\$)</i>							
E&C	0.54	0.11	0.10	0.36	-	(0.21)	0.90
ICI	1.81	-	-	-	(0.96)	-	0.85
	2.35	0.11	0.10	0.36	(0.96)	(0.21)	1.75

Nine Months Ended September 30, 2014							
	Net income, as reported	Net loss on ICI disposals	Acquisition of Kentz			Other restructuring costs (recorded before November 6, 2014)	Net income, adjusted
			Acquisition-related costs and integration costs	Financial expenses	Amortization of intangible assets		
E&C	(44.9)	-	47.1	9.1	9.0	11.9	32.2
ICI	231.6	3.2	-	-	-	-	234.8
	186.7	3.2	47.1	9.1	9.0	11.9	267.0
<i>Per diluted share (\$)</i>							
E&C	(0.30)	-	0.31	0.06	0.06	0.08	0.21
ICI	1.52	0.02	-	-	-	-	1.54
	1.22	0.02	0.31	0.06	0.06	0.08	1.75

Questions & Answers