
Dubai Metro

First Quarter 2019

Conference Call Presentation

May 2nd, 2019

2018 ENR TOP 225 INTERNATIONAL DESIGN FIRMS

SNC-LAVALIN GROUP INC. #3 INTERNATIONAL DESIGN FIRMS

2019 ETHISPHERE COMPLIANCE LEADER VERIFICATION

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 2018 Management Discussion and Analysis (MD&A) and as updated in the first quarter 2019 MD&A. The 2019 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 2019. 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 2018 MD&A and as updated in the first quarter 2019 MD&A.

The 2019 outlook referred to in this presentation is forward-looking information and is based on the methodology described in the Company’s 2018 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 2019 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 EBITDA from E&C and Segment EBIT. 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 2019

Neil Bruce, President and CEO

Oxford Circus

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Q1 2019

Sylvain Girard, EVP and CFO

Howard Frankland Bridge

Segment disclosure change

Effective January 1, 2019, the Company decided to make the following changes to the Segment Disclosure note of its financial statements (2018 figures have been restated accordingly):

- Segment changes (per March 28, 2019 press release)
  - Resources: merger of Mining & Metallurgy and Oil & Gas segments
  - Infrastructure: includes the Clean Power and Thermal Power segments, while Infrastructure Engineering was transferred to EDPM
  - Nuclear: no change
  - EDPM: Infrastructure Engineering transferred from Infrastructure
- Other changes
  - Certain costs, previously recorded in "Corporate SG&A expenses", were transferred to the Segment EBIT. These costs mainly relate to centralized and shared services functions.
  - Segment EBIT now includes the contribution attributable to non-controlling interests before income taxes.

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See 2018 restated numbers in Appendix

Q1 2019 financial performance (vs Q1 2018)

Cost Reduction Program

- To increase efficiency and competitiveness through reducing the Company's overhead cost structure by $250M annually (just over $100M during the rest of 2019)

Q1 Adjusted net loss from E&C of $15M, or $0.08 per diluted share

- Actions taken to simplify the Company's business, focus its capabilities where it excels and grow its business responsibility

Total segment EBIT of $99M, down 57%

- Negative Segment EBIT in Resources ($61M)
- Lower Segment EBIT in Nuclear and Infrastructure
- Higher Segment EBIT in EDPM

Adjusted E&C EBITDA of $79.2M, 3.5% margin

- If we exclude the adoption of IFRS 16, adjusted E&C EBITDA would have been $33M lower

Corporate SG&A – E&C

- Positive Corporate SG&A from E&C of $1.7M in Q1 2019, mainly due to reversal of some corporate incentives and revision of certain estimates

Revenue of $2.4B, in line with Q1 2018

- Decrease in Resources offset by increase in EDPM

Backlog[1] of $15.8B as at March 31, 2019

- Q1 bookings totaled $3.2B, including $1.6B in Infrastructure, $0.9B in EDPM and $0.5B in Resources
- Q1 book-to-bill ratio of 1.4

Liquidity

- $0.6B of cash and cash equivalents and $3.6B of recourse and limited recourse debt
- Net recourse debt to adjusted EBITDA ratio, as per the Company's Credit Agreement of 3.9

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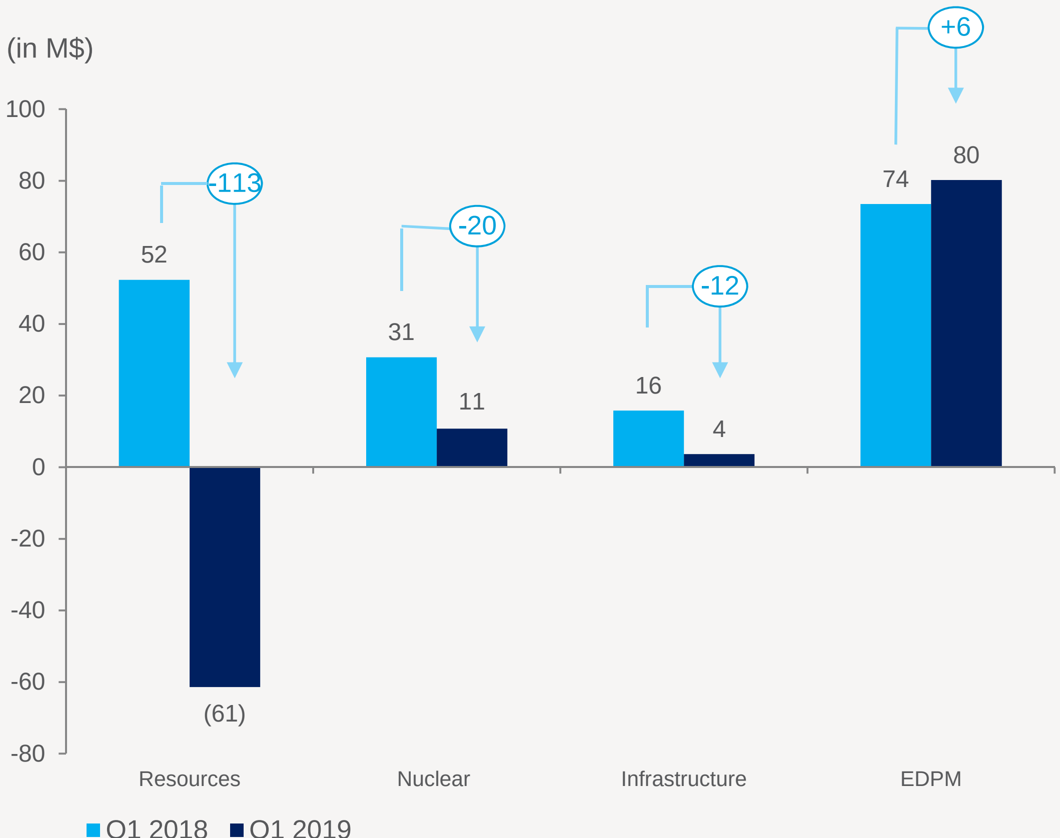
[1] Backlog represents the Remaining Performance Obligations, an IFRS measure

E&C segment EBIT – Q1 2019 vs Q1 2018



EBIT %

Resources		Nuclear		Infrastructure		EDPM	
6.9%	**(10.5%)**	13.3%	**4.8%**	3.2%	**0.7%**	8.4%	**8.2%**

Resources -$113M	Lower level of activities and lower profitability %, reflecting a net unfavorable impact from reforecasts on certain major O&G and M&M projects and delay in claim settlements.
Nuclear -$20M	Lower level of activities and lower profitability %, driven by a change in business mix and higher forecasted costs on a specific project in Canada nearing completion.
Infrastructure -$12M	Mainly attributable to projects that were part of the former Clean Power segment.
EDPM +$6M	Higher level of activities, partially offset by a lower profitability %.

Operating Cash Flow

Net cash used for operating activities:

Q1 2019: ($249M)
Q1 2018: ($147M)

Cash flow from operations (Q1 19 vs Q1 18):

- Lower EBIT from E&C segments
- Increase in restructuring costs paid
- Increase in interest paid
- Lower income tax received

- Partially offset by:
- Lower working capital requirements on certain major projects

Cash Balance as December 31, 2018	634
Cash flows from operations	(249)
Capital expenditures	(33)
Net increase in receivables from long-term concession arrangements	(28)
Increase in recourse debt	597
Increase in non-recourse debt	66
Repayment of recourse debt	(266)
Payment of lease liabilities	(30)
Dividends to SNC Shareholders	(18)
Other	(58)
Cash Balance as March 31, 2019	615

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Capital structure and debt ratios

(in M$, unless otherwise indicated)	March 31, 2019
Net recourse debt	2,002
TTM adjusted EBITDA[1]	460
Less: TTM interest on limited recourse debt[2]	(78)
TTM adjusted EBITDA, less interest on limited recourse debt	382
Net recourse debt to adjusted EBITDA ratio	**5.2**

Limited recourse debt	$981B
Unused capacity under the $2.6B committed revolving credit facility	$1.6B
Cash and cash equivalents	$615M

As at March 31, 2019, the net recourse debt to EBITDA ratio in accordance with the terms of the Company's Credit Agreement as amended, was 3.9x.

Long-term target
Gross recourse debt to adjusted EBITDA from E&C ratio in the range of **1.0x to 1.5x**

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[1] Exclude the impact of IFRS 16 - Leases
[2] As the TTM adjusted EBITDA includes dividends received from Highway 407 ETR which are used to service the limited recourse debt, the related interests on the limited recourse debt have been deducted.

Outlook

2019 Guidance	
Adjusted EBITDA from E&C[1,2]	$900M - $950M
Adjusted diluted EPS from E&C[1,2]	$2.00 - $2.20
Adjusted consolidated diluted EPS [1,2]	$3.00 - $3.20
Effective tax rate on adjusted E&C earnings	~20%
Weighted average number of shares outstanding	~175.8M

Given the challenges faced in Q1 2019, the Company expects a very modest recovery in its adjusted diluted EPS from E&C for Q2 2019 and a more significant ramp up in the second half of the year, as the Resources segment improves its performance and the Company starts to see the impact of its cost reduction program.	The net effect of the disposal of 10.01% of the Company's Highway 407 ETR interest has not yet been reflected in the 2019 guidance. The Company intends to adjust the guidance accordingly once a transaction is concluded.

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[1] Non-IFRS measure
[2] Includes the impact of IFRS 16 - Leases

Questions
& Answers

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Appendix

2018 restated figures[1] (1 of 2)
On a comparable basis with our new 2019 simplified structure[2]

(in thousands of $)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Total	Segment EBIT %
EDPM (Engineering, Design and Project Management)						
Revenues	879,010	913,604	912,998	970,785	3,676,397	
Segment EBIT	73,500	98,708	83,812	98,725	354,745	9.6%
Infrastructure						
Revenues	501,061	528,317	522,168	657,426	2,208,972	
Segment EBIT	15,809	11,133	16,257	28,953	72,152	3.3%
Nuclear						
Revenues	230,027	233,351	217,512	251,726	932,616	
Segment EBIT	30,696	39,120	35,524	38,518	143,858	15.4%
Resources						
Revenues	757,099	794,648	844,141	605,476	3,001,364	
Segment EBIT	52,348	15,797	49,564	(374,304)	(256,595)	(8.6%)
Capital						
Revenues	64,197	57,199	66,171	77,090	264,657	
Segment EBIT	56,420	50,824	55,125	62,606	224,975	85.0%
Total						
Revenues	**2,431,394**	**2,527,119**	**2,562,990**	**2,562,503**	**10,084,006**	
Segment EBIT	**228,773**	**215,582**	**240,282**	**(145,502)**	**539,135**	5.4%

Segment EBIT now includes the contribution attributable to non-controlling interest before income taxes

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1 Unaudited
2 Announced by the Company on March 28, 2019

2018 restated figures[1] (2 of 2)
On a comparable basis with our new 2019 simplified structure[2]

(in thousands of $)	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Total	
Corporate SG&A expenses – E&C	(18,239)	(12,312)	15,107	(54,840)	(70,284)	
Corporate SG&A expenses – Capital	(7,095)	(6,383)	(6,693)	(7,579)	(27,750)	
Impairment loss arising from expected credit losses	(530)	(124)	(657)	(38)	(1,349)	
Gain (loss) arising on financial assets (liabilities) at fair value through profit or loss	(4,176)	4,574	(4,822)	(3,003)	(7,427)	
Net 2012 class action lawsuits settlement expense and related legal costs	--	(88,000)	--	(1,443)	(89,443)	
Restructuring costs	(1,528)	(1,053)	(1,952)	(64,058)	(68,591)	
Acquisition-related costs and integration costs	(10,702)	(12,789)	(10,576)	(20,811)	(54,878)	
Amortization of intangible assets related to business combinations	(56,727)	(52,787)	(45,390)	(51,567)	(206,471)	
Gain on disposals of Capital investments	--	62,714	--	4,838	67,552	
Gain (loss) from adjustment on disposals of E&C businesses	--	(312)	77	(239)	(474)	
Impairment of goodwill	--	--	--	(1,240,415)	(1,240,415)	
EBIT[3]	**129,776**	**109,110**	**185,376**	**(1,584,657)**	**(1,160,395)**	

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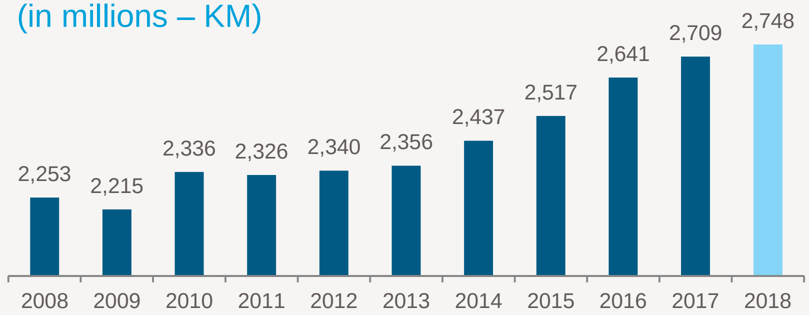
1 Unaudited
2 Announced by the Company on March 28, 2019
3 Overall EBIT remains unchanged

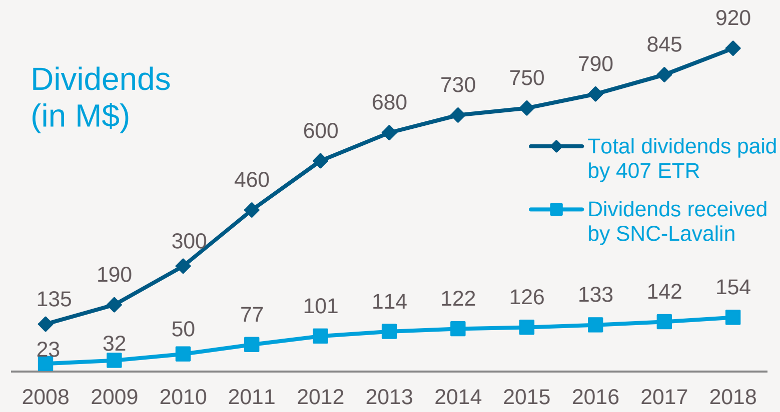
407 ETR

Consistent growth and low cost of financing

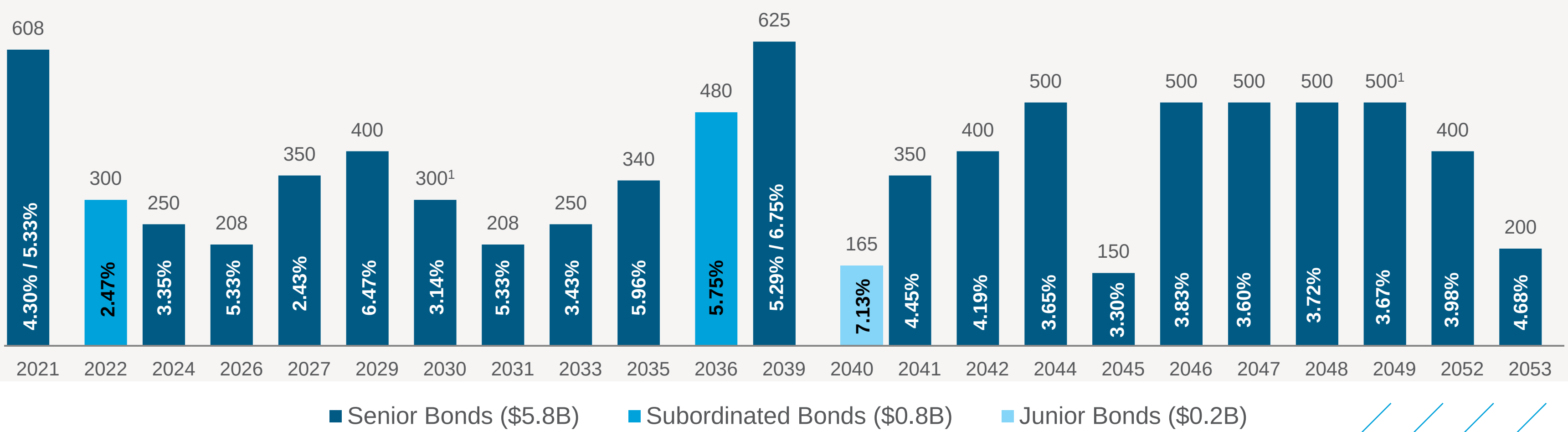
Gross Vehicle Kilometres Travelled
(in millions – KM)



Dividends
(in M$)



Bond Maturity Profile
(in M$)



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407 ETR information – Q1

(in M$, unless otherwise indicated)	Q1 2019	Q1 2018	Change
Revenues	309.1	288.5	7.1%
Operating expenses	46.4	37.5	23.7%
EBITDA	262.7	251.0	4.7%
EBITDA as a percentage of revenues	85.0%	87.0%	(2.0%)
Net Income	95.4	96.9	(1.6%)
Traffic / Trips (in millions)	27.3	28.0	(2.5%)
Average workday number of trips (in thousands)	365.6	376.7	(3.0%)
Vehicle kilometers travelled “VKT” (in millions)	566.9	578.3	(2.0%)
Dividends paid to SNC-Lavalin	42.0	38.0	10.5%

7.1% increase in revenues

10.5% increase in dividends

Net income reconciliation – Q1

	Net Income (loss) (IFRS)	Net charges related to restructuring & right-sizing plan and other	Acquisition-related costs and integration costs	Amortization of intangible assets related to business combinations	Net loss on disposals of E&C businesses	Impact of U.S. corporate tax reform	Adjusted Net income (loss) (Non-IFRS)
First Quarter 2019							
In M$							
E&C	(67.4)	6.2	3.4	42.8	0.1	-	(14.9)
Capital	50.1	1.7	-	-	-	-	51.8
	(17.3)	7.9	3.4	42.8	0.1	-	36.9
Per Diluted share ($)							
E&C	(0.38)	0.04	0.02	0.24	0.0	-	(0.08)
Capital	0.28	0.01	-	-	-	-	0.29
	(0.10)	0.05	0.02	0.24	0.0	-	0.21
First Quarter 2018							
In M$							
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

Note that certain totals and subtotals may not reconcile due to rounding

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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.

SAFETY

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

INTEGRITY

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

COLLABORATION

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

INNOVATION

We redefine engineering by thinking boldly, proudly and differently.

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