Aecon Group Inc.

Management's Discussion and Analysis of Operating Results and Financial Condition

June 30, 2021

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Management's Discussion and Analysis of Operating Results and Financial Condition ("MD&A")

The following discussion and analysis of the consolidated results of operations and financial condition of Aecon Group Inc. ("Aecon" or the "Company") should be read in conjunction with the Company's June 30, 2021 interim condensed consolidated financial statements and notes, which have not been reviewed by the Company's external auditors, and in conjunction with the Company's annual MD&A for the year ended December 31, 2020 (the "2020 Annual MD&A"). This MD&A has been prepared as of July 22, 2021. Additional information on Aecon is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and includes the Company's Annual Information Form and other securities and continuous disclosure filings.

1. INTRODUCTION

Aecon operates in two principal segments within the infrastructure development industry: Construction and Concessions.

The infrastructure development industry in Canada is seasonal in nature for companies like Aecon that perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profit than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

2. FORWARD-LOOKING INFORMATION

The information in this Management's Discussion and Analysis includes certain forward-looking statements. These forward-looking statements are based on currently available competitive, financial and economic data and operating plans but are subject to risks and uncertainties. Forward-looking statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, ongoing objectives, strategies and outlook for Aecon, including statements regarding the sufficiency of Aecon's liquidity and working capital requirements for the foreseeable future. Forward-looking statements may in some cases be identified by words such as "will," "plans," "believes," "expects," "anticipates," "estimates," "projects," "intends," "should" or the negative of these terms, or similar expressions. In addition to events beyond Aecon's control, there are factors which could cause actual or future results, performance or achievements to differ materially from those expressed or inferred herein including, but not limited to: the timing of projects, unanticipated costs and expenses, the failure to recognize and adequately respond to climate change concerns or public and governmental expectations on climate matters, general market and industry conditions and operational and reputational risks, including large project risk and contractual factors, and risks relating to the COVID-19 pandemic. Risk factors are discussed in greater detail in Section 13 – "Risk Factors" in the 2020 Annual MD&A dated February 25, 2021 and available through SEDAR at www.sedar.com. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aecon undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

3. FINANCIAL REPORTING STANDARDS

The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”) applicable to the preparation of interim financial statements including International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

4. NON-GAAP AND SUPPLEMENTARY FINANCIAL MEASURES

The MD&A presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company’s performance (GAAP refers to Canadian Generally Accepted Accounting Principles). These measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Management uses these non-GAAP and supplementary financial measures, as well as certain non-GAAP ratios to analyze and evaluate operating performance. Aecon also believes the financial measures defined below are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in the construction industry. The most directly comparable measures calculated in accordance with GAAP are profit (loss) attributable to shareholders or earnings (loss) per share.

Throughout this MD&A, the following terms are used, which are not found in the Chartered Professional Accountants of Canada Handbook and do not have a standardized meaning under GAAP.

Non-GAAP Financial Measures

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash flow of the Company; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the primary financial statements of the Company; and (d) is not a ratio.

Non-GAAP financial measures presented and discussed in this MD&A are as follows:

- **“Adjusted EBITDA”** represents operating profit (loss) adjusted to exclude depreciation and amortization, the gain (loss) on sale of assets and investments, and net income (loss) from projects accounted for using the equity method, but including “Equity Project EBITDA” from projects accounted for using the equity method (refer to Section 9 “Quarterly Financial Data” for a quantitative reconciliation to the most comparable financial measure).
- **“Equity Project EBITDA”** represents Aecon’s proportionate share of the earnings or losses from projects accounted for using the equity method before depreciation and amortization, finance income, finance cost and income taxes (refer to Section 9 “Quarterly Financial Data” for a quantitative reconciliation to the most comparable financial measure).
- **“Backlog”** means the total value of work that has not yet been completed that: (a) has a high certainty of being performed as a result of the existence of an executed contract or work order specifying job scope,

value and timing; or (b) has been awarded to Aecon, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Operations and maintenance ("O&M") activities are provided under contracts that can cover a period of up to 30 years. In order to provide information that is comparable to the backlog of other categories of activity, Aecon limits backlog for O&M activities to the earlier of the contract term and the next five years.

Primary financial statements

Primary financial statements include any of the following: the consolidated balance sheets, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows.

Key financial measures presented in the primary financial statements of the Company and discussed in this MD&A are as follows:

- **"Gross profit"** represents revenue less direct costs and expenses. Not included in the calculation of gross profit are marketing, general and administrative expense ("MG&A"), depreciation and amortization, income or losses from projects accounted for using the equity method, foreign exchange, net financing expense, gain (loss) on sale of assets and investments, income taxes, and non-controlling interests.
- **"Operating profit (loss)"** represents the profit (loss) from operations, before net financing expense, income taxes and non-controlling interests.

The above measures are presented on the face of the Company's consolidated statements of income and are not meant to be a substitute for other subtotals or totals presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measures.

Non-GAAP Ratios

A non-GAAP ratio is a financial measure presented in the form of a ratio, fraction, percentage or similar representation and that has a non-GAAP financial measure as one of its components.

A non-GAAP ratio presented and discussed in this MD&A is as follows:

- **"Adjusted EBITDA margin"** represents Adjusted EBITDA as a percentage of revenue.

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company, (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio.

Key supplementary financial measures presented discussed in this MD&A are as follows:

- **"Gross profit margin"** represents gross profit as a percentage of revenue.
- **"Operating margin"** represents operating profit (loss) as a percentage of revenue.
- **"MG&A as a percent of revenue"** represents marketing, general and administrative expense as a percentage of revenue.

5. RECENT DEVELOPMENTS

COVID-19 Pandemic

The COVID-19 pandemic has continued to disrupt global health and the economy in 2021 and has created an indeterminate period of volatility in the markets in which Aecon operates. The COVID-19 pandemic impacted Aecon's operations in the first six months of 2021 and 2020 at varying times by way of suspensions of certain of the Company's projects, either by its clients or due to a broader government directive, by disruption to the progress of projects due to the need to modify work practices to meet appropriate health and safety standards, or by other COVID-19 related impacts on the availability of labour or to the supply chain. Certain projects that were expected to be available to Aecon to bid on to secure new revenue have been delayed or suspended.

Aecon continues to monitor developments and mitigate risks related to the COVID-19 pandemic and the impact on Aecon's projects, operations, supply chain, and most importantly the health and safety of its employees. At this time, the majority of governments across the jurisdictions in which Aecon operates have deemed the types of construction projects that constitute the majority of Aecon's contracts to be essential services and, therefore, operations are broadly continuing, although in many cases on a modified basis. As this situation may continue to evolve for some time, shifting directives and policies from clients and governments are expected to continue. Aecon's financial position, liquidity and capital resources remain strong, and are expected to be sufficient to finance its operations and working capital requirements for the foreseeable future.

6. BUSINESS STRATEGY

Refer to the discussion on Business Strategy as outlined in the 2020 Annual Report available on the Company's website at www.aecon.com or through SEDAR at www.sedar.com.

7. CONSOLIDATED FINANCIAL HIGHLIGHTS

$ millions (except per share amounts)	Three months ended June 30		Six months ended June 30	
	2021	2020	**2021**	2020
Revenue	$ **971.3**	$ **779.4**	$ **1,725.3**	$ **1,527.0**
Gross profit	91.8	53.8	149.2	115.1
Marketing, general and administrative expense	(44.3)	(40.5)	(92.0)	(90.8)
Income from projects accounted for using the equity method	3.8	2.7	6.4	5.5
Other income	4.7	2.6	5.0	2.0
Depreciation and amortization	(21.4)	(19.4)	(44.3)	(42.2)
Operating profit (loss)	**34.6**	**(0.8)**	**24.4**	**(10.4)**
Finance income	0.1	0.2	0.3	0.7
Finance cost	(11.1)	(6.8)	(21.8)	(12.7)
Profit (loss) before income taxes	**23.7**	**(7.4)**	**2.8**	**(22.4)**
Income tax (expense) recovery	(6.1)	1.3	(3.7)	4.8
Profit (loss)	$ **17.6**	$ **(6.2)**	$ **(0.8)**	$ **(17.6)**
Gross profit margin(3)	**9.5%**	**6.9%**	**8.6%**	**7.5%**
MG&A as a percent of revenue(3)	**4.6%**	**5.2%**	**5.3%**	**5.9%**
Adjusted EBITDA(1)	**61.3**	**24.4**	**82.1**	**43.6**
Adjusted EBITDA margin(2)	**6.3%**	**3.1%**	**4.8%**	**2.9%**
Operating margin(3)	**3.6%**	**(0.1)%**	**1.4%**	**(0.7)%**
Earnings (loss) per share - basic	$ **0.29**	$ **(0.10)**	$ **(0.01)**	$ **(0.29)**
Earnings (loss) per share - diluted	$ **0.27**	$ **(0.10)**	$ **(0.01)**	$ **(0.29)**
Backlog(1)			$ **6,524**	$ **7,255**

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

(2) This is a non-GAAP ratio. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP ratio.

(3) This is a supplementary financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each supplementary financial measure.

Revenue for the three months ended June 30, 2021 of $971 million was $192 million, or 25%, higher compared to the second quarter of 2020, and revenue for the six months ended June 30, 2021 of $1,725 million was $198 million, or 13%, higher compared to the same period in 2020. Although revenue in the second quarter and first six months of 2021 continued to be negatively impacted by COVID-19, particularly in certain end market sectors, revenue for the three and six months ended June 30, 2021 was higher in the Construction segment ($177 million and $185 million, respectively), driven by higher revenue in nuclear operations ($98 million and $139 million, respectively), civil operations and urban transportation systems ($54 million and $19 million, respectively), and utilities ($43 million and $52 million, respectively). These increases were partially offset by lower revenue in industrial operations ($18 million and $25 million, respectively). In the Concessions segment, revenue for the three months ended June 30, 2021 was higher by $8 million compared to the same period in 2020 primarily due to a gradual improvement in commercial flight operations related to the Bermuda International Airport Redevelopment Project, while for the six months ended June 30, 2021 revenue was lower by $7 million compared to the same period in 2020, driven by decreased construction activity related to the Bermuda International Airport Redevelopment Project. In addition, inter-segment revenue eliminations decreased by $7 million and $20 million, respectively, primarily due to lower revenue between the Concessions and Construction segments related to the Bermuda International Airport Redevelopment Project.

Operating profit of $34.6 million for the three months ended June 30, 2021 increased by $35.4 million compared to an operating loss of $0.8 million in the same period in 2020, driven by an increase in gross profit of $38.0 million. In the Construction segment, gross profit in the second quarter of 2021 increased by $27.6 million primarily from higher volume and gross profit margin in nuclear, civil operations and urban transportation systems, and utilities. These increases were partially offset by lower volume and gross profit margin from industrial operations. In the Concessions segment, gross profit increased by $10.6 million, primarily at the Bermuda International Airport Redevelopment Project from an increase in airport operations compared to the second quarter of 2020 when all commercial flight operations were suspended for reasons related to the COVID-19 pandemic.

Operating profit of $24.4 million for the six months ended June 30, 2021 increased by $34.8 million compared to an operating loss of $10.4 million in the same period in 2020, primarily due to an increase in gross profit of $34.1 million. In the Construction segment, gross profit during the first six months of 2021 increased by $29.3 million for reasons in line with the second quarter commentary. In the Concessions segment, gross profit increased by $5.1 million primarily due to an improvement at the Bermuda International Airport Redevelopment Project where airport operations in both periods were affected to varying degrees by the impacts of the COVID-19 pandemic.

Within the above noted items, the negative revenue impact of COVID-19 had a corresponding impact on operating profit, primarily due to the loss of related gross profit from affected projects and concession operations in the second quarter and first six months of 2021 and 2020. However, these impacts in the first six months of 2021 were offset by amounts related to the Canada Emergency Wage Subsidy program.

Marketing, general and administrative expense ("MG&A") for the three and six months ended June 30, 2021 increased by $3.8 million and $1.2 million, respectively, compared to the same periods in 2020, primarily due to higher personnel costs. MG&A as a percentage of revenue for the second quarter decreased from 5.2% in 2020 to 4.6% in 2021, and for the first half of the year decreased from 5.9% in 2020 to 5.3% in 2021.

Aecon's participation in projects that are classified for accounting purposes as a joint venture or an associate, as opposed to a joint operation, are accounted for using the equity method of accounting. Aecon reported income of $3.8 million in the second quarter of 2021 from projects accounted for using this method of accounting, compared to $2.7 million in the second quarter of 2020, and income of $6.4 million in the first six months of 2021 compared to $5.5 million in the same period of 2020. The higher income in the second quarter and first six months of 2021 was driven by increases in management and development fees in the Concessions segment ($0.5 million and $0.1 million, respectively) and higher income from civil projects in the Construction segment ($0.6 million and $0.7 million, respectively).

Depreciation and amortization expense of $21.4 million and $44.2 million in the three and six months ended June 30, 2021, respectively, was $2.0 million and $2.1 million higher than the same periods in 2020. The largest increase in both periods occurred in the Concessions segment ($4.5 million and $4.0 million, respectively) and resulted from reduced amortization expense in both prior year periods related to the Bermuda International Airport Redevelopment Project as a result of the new terminal's construction completion date being extended due to impacts related to the COVID-19 pandemic. Offsetting this increase was lower depreciation and amortization expense in the Construction segment for the three and six months ended June 30, 2021 of $2.7 million and $2.3 million, respectively, compared to the same periods in 2020 primarily due to a decrease in equipment deployed.

Net financing expense of $10.9 million in the second quarter of 2021, consisting of finance cost of $11.1 million less finance income of $0.2 million, was $4.3 million higher than in the same period in 2020, and net financing expense of $21.6 million in the first six months of 2021, consisting of finance cost of $21.9 million less finance income of $0.3 million, was $9.6 million higher than in the same period in 2020. The increase in both periods resulted primarily from an increase in interest expense of $5.1 million and $10.4 million respectively, related to the non-recourse debt financing for the Bermuda International Airport Redevelopment project. Previously during the construction phase of this project, interest related to the non-recourse debt financing was being capitalized, but after the new airport terminal commenced operations in December 2020, interest is now being recognized as finance cost in the consolidated statements of income.

Set out in Note 19 of the June 30, 2021 consolidated financial statements is a reconciliation between the expected income tax for 2021 and 2020 based on statutory income tax rates and the actual income tax expense reported for both these periods.

Reported backlog as at June 30, 2021 of $6,524 million compares to backlog of $7,255 million as at June 30, 2020. New contract awards of $1,582 million and $1,795 million were booked in the second quarter and year-to-date, respectively, in 2021 compared to $1,080 million and $1,992 million in the same periods in 2020.

Backlog[1] **$ millions**	**As at June 30**	
	2021	2020
Construction	**$ 6,450**	$ 7,192
Concessions	**74**	63
Consolidated	**$ 6,524**	$ 7,255

(1) This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP and Supplementary Financial Measures” in this MD&A for more information on each non-GAAP financial measure.

Estimated backlog duration **$ millions**	**As at June 30**			
	2021		2020	
Next 12 months	**$ 2,836**	**43%**	$ 2,892	40%
Next 13-24 months	**1,689**	**26%**	1,943	27%
Beyond	**1,999**	**31%**	2,420	33%
	$ 6,524	**100%**	$ 7,255	100%

The timing of work to be performed for projects in backlog as at June 30, 2021 is based on current project schedules, taking into account the current impacts of COVID-19. It is possible that these schedules could change in the future as the COVID-19 pandemic evolves.

Aecon does not report as backlog the significant number of contracts and arrangements in hand where the exact amount of work to be performed cannot be reliably quantified or where a minimum number of units at the contract specified price per unit is not guaranteed. Examples include time and material and some cost-plus and unit priced contracts where the extent of services to be provided is undefined or where the number of units cannot be estimated with reasonable certainty. Other examples include the value of construction work managed under construction management advisory contracts, concession agreements, multi-year operating and maintenance service contracts where the value of the work is not specified, supplier of choice arrangements and alliance agreements where the client requests services on an as-needed basis. None of the expected revenue from these types of contracts and arrangements is included in backlog. Therefore, Aecon's anticipated future work to be performed at any given time is greater than what is reported as backlog.

Reported backlog includes the revenue value of backlog that relates to projects that are accounted for using the equity method. The equity method reports a single amount (revenue less expense) on Aecon's consolidated statement of income, and as a result the revenue component of backlog for these projects is not included in Aecon's reported revenue. As at June 30, 2021, reported backlog from projects that are accounted for using the equity method was $nil (June 30, 2020 - $nil).

Further detail for each segment is included in the discussion below under Reportable Segments.

8. REPORTABLE SEGMENTS FINANCIAL HIGHLIGHTS

8.1. CONSTRUCTION

Financial Highlights

$ millions	Three months ended June 30		Six months ended June 30	
	2021	2020	**2021**	2020
Revenue	**$ 954.6**	$ 777.8	**$ 1,698.7**	$ 1,513.2
Gross profit	**$ 84.7**	$ 57.1	**$ 142.1**	$ 112.7
Adjusted EBITDA(1)	**$ 50.9**	$ 27.7	**$ 73.0**	$ 44.2
Operating profit	**$ 37.3**	$ 9.8	**$ 41.3**	$ 9.4
Gross profit margin(3)	**8.9%**	7.3%	**8.4%**	7.5%
Adjusted EBITDA margin(2)	**5.3%**	3.6%	**4.3%**	2.9%
Operating margin(3)	**3.9%**	1.3%	**2.4%**	0.6%
Backlog(1)			**$ 6,450**	$ 7,192

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this document for more information on each non-GAAP financial measure.
(2) This is a non-GAAP ratio. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP ratio.
(3) This is a supplementary financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each supplementary financial measure.

Revenue in the Construction segment for the three months ended June 30, 2021 of $955 million was $177 million, or 23%, higher compared to the same period in 2020. Revenue was higher in nuclear operations ($98 million), driven by a ramp up in refurbishment work at the Darlington and Kincardine nuclear generating stations, both located in Ontario, in civil operations and urban transportation systems ($54 million), driven by an increase in major projects in both eastern and western Canada partially offset by lower roadbuilding construction work, and in utilities operations ($43 million) primarily due to increased volume of oil and gas distribution and telecommunications work partially offset by lower high-voltage electrical transmission work. These increases were partially offset by lower revenue in industrial operations ($18 million) primarily due to decreased activity on mainline pipeline work in western Canada.

Revenue in the Construction segment for the six months ended June 30, 2021 of $1,699 million, was $185 million, or 12%, higher compared to the same period in 2020. Similar to the second quarter commentary, Construction segment revenue was higher in nuclear operations ($139 million), civil operations and urban transportation systems ($19 million), and utilities operations ($52 million), and lower in industrial operations ($25 million), all for reasons in line with the second quarter commentary.

Operating profit in the Construction segment of $37.3 million in the three months ended June 30, 2021 increased by $27.5 million compared to an operating profit of $9.8 million in the same period in 2020. Second quarter operating profit increased due to higher volume and gross profit margin in nuclear, civil operations and urban transportation systems, and utilities. These increases were partially offset by lower volume and gross profit margin from industrial operations.

Operating profit in the Construction segment of $41.3 million in the six months ended June 30, 2021 increased by $31.9 million compared to an operating profit of $9.4 million in the same period in 2020. Year-to-date operating profit increased in nuclear, civil operations and urban transportation systems, and utilities operations, and decreased in industrial operations, all for reasons in line with the second quarter commentary.

Construction backlog as at June 30, 2021 was $6,450 million, which was $742 million lower than the same time last year. Backlog decreased period-over-period in civil operations and urban transportation systems ($519 million), industrial ($155 million), and nuclear ($138 million), and increased in utilities ($70 million). New contract awards totaled $1,567 million in the second quarter of 2021 and $1,767 million year-to-date, compared to $1,074 million and $1,970 million, respectively, in the same periods last year. During the first six months of 2021, a number of Aecon consortiums were awarded multi-year projects including the replacement of steam generators at Units 3 and 4 of the nuclear generating station in Kincardine, Ontario, construction of the Eglinton Crosstown West Extension Advance Tunnel project in Toronto, Ontario, and the North End Sewage Treatment Plant Upgrade: Headworks Facilities Project in Winnipeg, Manitoba.

As discussed in the Consolidated Financial Highlights section, the Construction segment's anticipated future work to be performed at any given time is greater than what is reported as backlog.

8.2. CONCESSIONS

Financial Highlights

$ millions	Three months ended June 30				Six months ended June 30			
		2021		2020		**2021**		2020
Revenue	$	**17.0**	$	8.5	$	**28.3**	$	35.6
Gross profit	$	**7.3**	$	(3.3)	$	**7.5**	$	2.4
Income from projects accounted for using the equity method	$	**2.8**	$	2.3	$	**5.7**	$	5.6
Adjusted EBITDA(1)	$	**16.2**	$	4.8	$	**25.7**	$	19.1
Operating profit (loss)	$	**3.5**	$	(2.3)	$	**0.5**	$	0.2
Backlog(1)					$	**74**		63

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Aecon holds a 100% interest in Bermuda Skyport Corporation Limited ("Skyport"), the concessionaire responsible for the Bermuda airport's operations, maintenance and commercial functions, and the entity managing and coordinating the overall delivery of the Bermuda International Airport Redevelopment Project over a 30-year concession term that commenced in 2017. Aecon's participation in Skyport is consolidated and, as such, is accounted for in the consolidated financial statements by reflecting, line by line, the assets, liabilities, revenue and expenses of Skyport. However, Aecon's concession participation in the Eglinton Crosstown Light Rail Transit ("LRT"), Finch West LRT, Gordie Howe International Bridge, and Waterloo LRT projects are joint ventures that are accounted for using the equity method.

For the three months ended June 30, 2021, revenue in the Concessions segment of $17 million was $8 million higher compared to the same period in 2020, while for the six months ended June 30, 2021, revenue of $28 million was $7 million lower when compared to the same period in 2020. Higher revenue in the second quarter was due to an increase in airport operations at the Bermuda International Airport Redevelopment Project compared to the second quarter of 2020 when all commercial flight operations were suspended for reasons related to the COVID-19 pandemic ($13 million), partially offset by lower construction revenue related to this project which was substantially completed in the fourth quarter of 2020 ($6 million). Notwithstanding the above increase, for reasons related to COVID-19, commercial flight operations in Bermuda continue to operate at a reduced volume compared to pre-pandemic levels. The lower year-to-date revenue was primarily driven by a decrease in construction activity related to the Bermuda International Airport Redevelopment Project ($17 million), partially offset by an increase in revenue from airport operations ($9 million). Included in Concessions' revenue for the three and six months ended June 30, 2021 was $0.2 million and $1.4 million, respectively, of construction revenue that was eliminated on consolidation as inter-segment revenue (2020 - $6.1 million and $19.6 million, respectively).

Operating profit in the Concessions segment for the three and six months ended June 30, 2021 increased by $5.8 million and $0.3 million, respectively, compared to the same periods in 2020. The higher operating profit in both periods occurred primarily in the Bermuda International Airport Redevelopment Project and resulted from the above noted changes in airport construction and operations.

Except for O&M activities under contract for the next five years and that can be readily quantified, Aecon does not include in its reported backlog expected revenue from concession agreements. As such, while Aecon expects future revenue from its concession assets, no concession backlog, other than from such O&M activities for the next five years, is reported.

9. QUARTERLY FINANCIAL DATA

Set out below is quarterly financial data for the most recent eight quarters:

$ millions (except per share amounts)

	2021		2020				2019	
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Revenue	$ 971.3	$ 754.0	$ 1,077.2	$ 1,039.5	$ 779.4	$ 747.5	$ 917.3	$ 1,025.4
Adjusted EBITDA(1)	61.3	20.7	83.6	137.2	24.4	19.2	61.7	91.1
Earnings (loss) before income taxes	23.7	(20.9)	46.3	100.1	(7.4)	(15.0)	25.3	53.2
Profit (loss)	17.6	(18.4)	32.0	73.6	(6.2)	(11.4)	20.2	42.1
Earnings (loss) per share:								
Basic	0.29	(0.31)	0.53	1.23	(0.10)	(0.19)	0.33	0.69
Diluted	0.27	(0.31)	0.46	0.99	(0.10)	(0.19)	0.31	0.60

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Earnings (loss) per share for each quarter has been computed using the weighted average number of shares issued and outstanding during the respective quarter. Any dilutive securities, which increase the earnings per share or decrease the loss per share, are excluded for purposes of calculating diluted earnings per share. Due to the impacts of dilutive securities, such as convertible debentures, and share issuances and repurchases throughout the periods, the sum of the quarterly earnings (losses) per share will not necessarily equal the total for the year.

Set out below is the calculation of Adjusted EBITDA for the most recent eight quarters:

$ millions

	2021		2020				2019	
	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Operating profit (loss)	$ 34.6	$ (10.2)	$ 53.5	$ 106.8	$ (0.8)	$ (9.7)	$ 31.1	$ 58.8
Depreciation and amortization	21.4	22.8	27.2	22.3	19.4	22.8	24.9	26.8
(Gain) loss on sale of assets	(4.8)	(0.9)	(5.8)	(0.9)	(1.8)	(0.3)	(1.0)	(0.7)
Income from projects accounted for using the equity method	(3.8)	(2.6)	(4.2)	(4.4)	(2.7)	(2.9)	(3.5)	(4.3)
Equity Project EBITDA(1)	13.8	11.7	12.9	13.4	10.3	9.4	10.1	10.6
Adjusted EBITDA(1)	$ 61.2	$ 20.8	$ 83.6	$ 137.2	$ 24.4	$ 19.3	$ 61.6	$ 91.2

(1) This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP and Supplementary Financial Measures” in this MD&A for more information on each non-GAAP financial measure.

Set out below is the calculation of Equity Project EBITDA for the most recent eight quarters:

$ millions

	2021		2020				2019	
Aecon's proportionate share of projects accounted for using the equity method(1)	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3
Operating profit	$ 13.6	$ 11.5	$ 12.7	$ 13.2	$ 10.1	$ 9.2	$ 10.0	$ 10.4
Depreciation and amortization	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2
Equity Project EBITDA(2)	$ 13.8	$ 11.7	$ 12.9	$ 13.4	$ 10.3	$ 9.4	$ 10.1	$ 10.6

(1) Refer to Note 10 “Projects Accounted for Using the Equity Method” in the June 30, 2021 interim condensed consolidated financial statements.
(2) This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP and Supplementary Financial Measures” in this MD&A for more information on each non-GAAP financial measure.

Set out below is the calculation of Adjusted EBITDA by segment for the three months and six months ended June 30, 2021 and 2020:

$ millions

	Three months ended June 30, 2021				Six months ended June 30, 2021			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit (loss)	$ 37.3	$ 3.5	$ (6.2)	$ 34.6	$ 41.3	$ 0.5	$ (17.5)	$ 24.3
Depreciation and amortization	15.8	5.2	0.4	21.4	33.1	10.4	0.8	44.3
(Gain) on sale of assets	(4.8)	-	-	(4.8)	(5.6)	-	-	(5.6)
Income from projects accounted for using the equity method	(1.0)	(2.8)	-	(3.8)	(0.7)	(5.7)	-	(6.4)
Equity Project EBITDA(1)	3.5	10.3	-	13.8	4.9	20.5	-	25.4
Adjusted EBITDA(1)	$ 50.8	$ 16.2	$ (5.8)	$ 61.2	$ 73.0	$ 25.7	$ (16.7)	$ 82.0

$ millions

	Three months ended June 30, 2020				Six months ended June 30, 2020			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit (loss)	$ 9.8	$ (2.3)	$ (8.2)	$ (0.7)	$ 9.4	$ 0.2	$ (19.9)	$ (10.3)
Depreciation and amortization	18.5	0.7	0.2	19.4	35.4	6.4	0.3	42.1
(Gain) on sale of assets	(1.9)	-	-	(1.9)	(2.2)	-	-	(2.2)
Income from projects accounted for using the equity method	(0.4)	(2.3)	-	(2.7)	0.1	(5.6)	-	(5.5)
Equity Project EBITDA(1)	1.5	8.8	-	10.3	1.5	18.1	-	19.6
Adjusted EBITDA(1)	$ 27.5	$ 4.9	$ (8.0)	$ 24.5	$ 44.2	$ 19.1	$ (19.6)	$ 43.7

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Set out below is the calculation of Equity Project EBITDA by segment for the three months and six months ended June 30, 2021 and 2020:

$ millions

	Three months ended June 30, 2021				Six months ended June 30, 2021			
Aecon's proportionate share of projects accounted for using the equity method (1)	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit	$ 3.3	$ 10.3	$ -	$ 13.6	$ 4.6	$ 20.5	$ -	$ 25.1
Depreciation and amortization	0.2	-	-	0.2	0.3	-	-	0.3
Equity Project EBITDA(2)	3.5	10.3	-	13.8	4.9	20.5	-	25.4

$ millions

	Three months ended June 30, 2020				Six months ended June 30, 2020			
Aecon's proportionate share of projects accounted for using the equity method (1)	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit	$ 1.4	$ 8.8	$ -	$ 10.2	$ 1.2	$ 18.1	$ -	$ 19.3
Depreciation and amortization	0.1	-	-	0.1	0.3	-	-	0.3
Equity Project EBITDA(2)	1.5	8.8	-	10.3	1.5	18.1	-	19.6

(1) Refer to Note 10 "Projects Accounted for Using the Equity Method" in the June 30, 2021 interim condensed consolidated financial statements.

(2) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

10. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

10.1. INTRODUCTION

Aecon's participation in joint arrangements classified as joint operations is accounted for in the consolidated financial statements by reflecting, line by line, Aecon's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations.

Aecon's participation in joint arrangements classified as joint ventures, as well as Aecon's participation in project entities where Aecon exercises significant influence over the entity but does not control or jointly control the entity (i.e. associates), is accounted for using the equity method.

For further information, see Note 10 to the June 30, 2021 interim condensed consolidated financial statements.

Coastal GasLink Pipeline, Sections 3 and 4

The project has been delayed and impacted by various events for which SA Energy Group ("SAEG"), a partnership in which the Company holds a 50% interest, asserts Coastal GasLink ("CGL") is contractually responsible, including, but not limited to, significant scope changes by the client and a suspension by regulatory authorities due to the COVID-19 pandemic. SAEG asserts that it is entitled to additional compensation for costs associated with those delays and impacts. During the second quarter of 2021, CGL issued a Change Directive instructing SAEG to proceed with completing the remaining work on the project without an agreement as to the price for that work and without making any interim additional payments on account of the increased costs. SAEG subsequently commenced an arbitration pursuant to the terms of the contract to resolve the matter. While the Company does not expect that the resolution of this issue will cause a material impact to its financial position, the ultimate results cannot be predicted at this time.

Kemano Generating Station Second Tunnel Project

During the second quarter of 2020, Rio Tinto issued a notice of termination of contract to the joint venture in which Aecon holds a 40% interest with respect to the Kemano Generating Station Second Tunnel Project. Rio Tinto also issued notice to the joint ventures' sureties asserting a claim on the 50% performance bonds; the sureties entered into a cooperation agreement with Rio Tinto but have not taken a position on the validity of this claim on the bonds. In the third quarter of 2020, the joint venture issued a notice of civil claim seeking approximately $105 million in damages from Rio Tinto. The joint venture has also registered and perfected a builders' lien against project lands, providing security over approximately $97 million of the claimed damages. Rio Tinto has issued a counterclaim against the joint venture but has not articulated the amount of damages it may seek from the joint venture; such amount is expected to be material. While it is possible that this commercial dispute could result in a material impact to Aecon's earnings and cash flow if not resolved, the ultimate results cannot be predicted at this time. The aforementioned notice of civil claim was commenced in the Supreme Court of British Columbia between Frontier Kemper Constructors and Frontier Kemper – Aecon Joint Venture as plaintiffs/defendants by counterclaim and Rio Tinto Alcan Inc. and Aluminum Company of Canada Limited/Aluminum Du Canada Limitee as the defendants/plaintiffs by counterclaim.

K+S Potash Canada

During the second quarter of 2018, the Company filed a statement of claim in the Court of Queen's Bench for Saskatchewan (the "Court") against K+S Potash Canada ("KSPC") and KSPC filed a statement of claim in the Court against the Company. Both actions relate to the Legacy mine project in Bethune, Saskatchewan. The Company is seeking $180 million in payments due to it pursuant to agreements entered into between the Company and KSPC with respect to the project plus approximately $14 million in damages. The Company has recorded $139 million of unbilled revenue and accounts receivable as at June 30, 2021. Offsetting this amount to some extent, the Company has accrued $45 million in trade and other payables for potential payments to third parties pending the outcome of the claim against KSPC. KSPC is seeking an order that the Company repay to KSPC approximately $195 million already paid to the Company pursuant to such agreements. These claims may not be resolved for several years. While the Company considers KSPC's claim to be without merit and does not expect that the resolution of these claims will cause a material impact to its financial position, the ultimate results cannot be predicted at this time.

10.2. CASH AND DEBT BALANCES

Cash balances at June 30, 2021 and December 31, 2020 are as follows:

$ millions		June 30, 2021					
		Balances excluding Joint Operations		Joint Operations		Consolidated Total	
Cash and cash equivalents	(1)	$	-	$	563	$	563
Restricted cash	(2)		88		-		88
Bank indebtedness	(3)		(10)		-		(10)
		December 31, 2020					
		Balances excluding Joint Operations		Joint Operations		Consolidated Total	
Cash and cash equivalents	(1)	$	100	$	558	$	658
Restricted cash	(2)		111		-		111

(1) Cash and cash equivalents include cash on deposit in bank accounts of joint operations which Aecon cannot access directly.
(2) Restricted cash is cash held by Bermuda Skyport Corporation Limited.
(3) Bank indebtedness represents borrowings on Aecon's revolving credit facility.

Total long-term recourse debt of $391.9 million as at June 30, 2021 compares to $369.2 million as at December 31, 2020, the composition of which is as follows:

$ millions		June 30, 2021		December 31, 2020
Current portion of long-term debt – recourse	**$**	**53.3**	$	56.6
Long-term debt – recourse		**167.1**		143.5
Long-term portion of convertible debentures		**171.5**		169.1
Total long-term recourse debt	**$**	**391.9**	$	369.2
Long-term project debt - non-recourse	**$**	**349.4**	$	358.9

The $22.7 million net increase in total long-term recourse debt results from an increase in property and equipment loans of $20.9 million and convertible debentures of $2.4 million related to the accretion of notional interest. These increases were partially offset by a decrease in leases of $0.6 million.

The $9.5 million decrease in long-term non-recourse project debt, which all relates to the financing of the Bermuda International Airport Redevelopment Project, is due to the impact of the change in the US:Canadian dollar exchange rate since December 31, 2020.

Aecon's financial position, liquidity and capital resources remain strong, and are expected to be sufficient to finance its operations and working capital requirements for the foreseeable future. As at June 30, 2021, Aecon had a committed revolving credit facility of $600 million, of which $10 million was drawn and $10 million utilized for letters of credit. On June 30, 2021, Aecon completed a two-year extension of its revolving credit facility which now matures on June 30, 2025. As part of the extension, the Company incorporated a sustainability-linked facility which is tied to the Company's core environmental, social and governance (ESG) objectives. In the first quarter of 2021, the performance security guarantee facility provided by Export Development Canada to support letters of credit was increased from $700 million to $900 million. On June 30, 2021, this facility was extended to June 30, 2023. This facility, when combined with Aecon's committed revolving credit facility, provides Aecon with committed credit facilities for working capital and letter of credit requirements totaling $1,500 million. The Company has no debt or working capital credit facility maturities until the second half of 2023, except equipment and property loans and leases in the normal course. As at June 30, 2021, Aecon was in compliance with all debt covenants related to its credit facility.

In the first quarter of 2021, Aecon's Board of Directors approved an increase in the dividend to be paid to all holders of Aecon common shares. Quarterly dividends increased to $0.175 per share (annual dividend of $0.70 per share). Prior to this increase, Aecon paid a quarterly dividend of $0.16 per share (annual dividend of $0.64 per share). The first quarterly dividend payment of $0.175 per share was paid on April 5, 2021.

10.3. SUMMARY OF CASH FLOWS

The construction industry in Canada is seasonal in nature for companies like Aecon that perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, a larger portion of this work is performed in the summer and fall months than in the winter and early spring months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating cash flow, with cash balances typically being at their lowest levels in the middle of the year as investments in working capital increase. These seasonal impacts typically result in cash balances peaking near year-end or during the first quarter of the year.

A summary of sources and uses of cash during the three and six months ended June 30, 2021 and 2020 is as follows:

$ millions	**Three months ended June 30 2021**	Three months ended June 30 2020	**Six months ended June 30 2021**	Six months ended June 30 2020
Operating Activities				
Cash provided by (used in):				
Cash flows from (used by) operations before changes in working capital	**$ 38.3**	$ 17.1	**$ (11.2)**	$ (0.9)
(Higher) investments in working capital	**(63.9)**	(62.7)	**(66.0)**	(65.5)
Cash used in operating activities	**$ (25.6)**	$ (45.6)	**$ (77.2)**	$ (66.4)
Investing Activities				
Cash provided by (used in):				
Decrease in restricted cash balances held by Skyport to finance the Bermuda International Airport Redevelopment Project	**$ 4.1**	$ 2.8	**$ 20.5**	$ 3.2
Expenditures made by Skyport related to the construction of the new airport terminal in Bermuda	**(3.3)**	(17.6)	**(3.9)**	(30.4)
Expenditures (net of disposals) on property, plant and equipment and intangible assets	**(5.9)**	(4.6)	**(18.2)**	(25.1)
Cash outflow related to the acquisition of Voltage	**-**	(0.4)	**-**	(29.8)
Proceeds on sale of contract mining business	**-**	11.8	**-**	11.8
Cash distributions received from projects accounted for using the equity method	**2.0**	-	**2.2**	0.1
Cash provided by (used for) investments in long-term financial assets	**(1.0)**	-	**0.3**	(0.3)
Cash provided by (used in) investing activities	**$ (4.1)**	$ (8.0)	**$ 0.9**	$ (70.5)
Financing Activities				
Cash provided by (used in):				
Increase in bank indebtedness associated with borrowings under the Company's revolving credit facility	**$ 10.2**	$ -	**$ 10.2**	$ 30.0
Increase in long-term recourse debt borrowings	**26.2**	5.6	**27.7**	7.8
Repayments of long-term recourse debt relating primarily to equipment financing arrangements	**(15.6)**	(15.5)	**(33.7)**	(31.4)
Cash used for dividends paid	**(10.6)**	(9.6)	**(20.2)**	(18.4)
Common shares purchased under NCIB	**-**	-	**-**	(15.5)
Cash provided by (used in) financing activities	**$ 10.2**	$ (19.5)	**$ (16.0)**	$ (27.5)
(Decrease) in cash and cash equivalents	**(19.5)**	(73.1)	**(92.3)**	(164.4)
Effects of foreign exchange on cash balances	**(0.6)**	(1.9)	**(3.3)**	3.7
Cash and cash equivalents - beginning of period	**582.8**	596.6	**658.3**	682.3
Cash and cash equivalents - end of period	**$ 562.7**	$ 521.6	**$ 562.7**	$ 521.6

In the first six months of 2021, Aecon acquired, either through purchase or lease, property, plant and equipment totaling $48 million. Of this amount, $11.6 million of expenditures related to the purchase of equipment yards and buildings in Alberta for use by civil operations in the Construction segment, with the balance of the investment in property, plant and equipment related to the purchase or lease of new machinery and construction equipment as part of normal ongoing business operations in the Construction segment. In the first six months of

2020, Aecon acquired, either through purchase or lease, property, plant and equipment totaling $47 million (excluding property, plant and equipment acquired at the time of the Voltage acquisition). Of this amount, $16.5 million of expenditures related to the purchase of an equipment yard and building in Ontario for use by the civil and utilities equipment fleet operations in the Construction segment, with the balance of the investment in property, plant and equipment related to the purchase or lease of new machinery and construction equipment as part of normal ongoing business operations in the Construction segment.

11. NEW ACCOUNTING STANDARDS

Note 5, *"New Accounting Standards"*, to Aecon's June 30, 2021 interim condensed consolidated financial statements includes new IFRS standards and amendments that became effective for the Company on January 1, 2021, and Note 6, *"Future Accounting Changes"* discusses IFRS standards and amendments that are issued, but not yet effective.

The new accounting standards had no significant impact on profit (loss), comprehensive income (loss), or earnings (loss) per share in the first six months of 2021.

12. SUPPLEMENTAL DISCLOSURES

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, have designed disclosure controls and procedures to provide reasonable assurance that material information with respect to the Company, including its consolidated subsidiaries, is made known to them by others and is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO, together with management, have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. In designing such controls, it should be recognized that any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and may not prevent or detect misstatements due to error or fraud.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting during the period beginning on April 1, 2021 and ended on June 30, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

In response to the COVID-19 pandemic, certain physical distancing measures taken by Aecon, clients and governments have the potential to impact the design and performance of internal controls over financial reporting at the Company while these measures remain in place. While no material changes in the Company's internal controls over financial reporting are anticipated at this time, the Company continues to monitor and mitigate any risks associated with changes to its control environment in response to COVID-19.

Contractual Obligations

At June 30, 2021, the Company had commitments totaling $421 million for equipment and premises under leases requiring minimum payments, and for obligations under long-term recourse debt and convertible debentures.

At June 30, 2021, Aecon had contractual obligations to complete construction contracts that were in progress. The revenue value of these contracts was $6,524 million.

Further details on Contractual Obligations are included in the Company's 2020 Annual Report.

Off-Balance Sheet Arrangements

Aecon's defined benefit pension plans (the "Pension Plans") had a combined deficit of $0.6 million as at June 30, 2021 (December 31, 2020 a combined surplus of $0.1 million). The defined benefit obligations and benefit cost levels will change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which have been anticipated at this time. Emerging experience, differing from assumptions, will result in gains or losses that will be disclosed in future accounting valuations. Refer to the Company's 2020 Annual Report for further details regarding Aecon's Pension Plans.

Further details of contingencies and guarantees are included in the June 30, 2021 interim condensed consolidated financial statements and in the 2020 Annual Report.

Related Party Transactions

Other than transactions with certain equity accounted investees as part of the normal course of operations, there were no significant related party transactions in the first six months of 2021.

Critical Accounting Estimates and Judgements

Refer to the detailed discussion on Critical Accounting Estimates as outlined in Note 4 to the June 30, 2021 interim condensed consolidated financial statements.

13. RISK FACTORS

Refer to the detailed discussion on Risk Factors as outlined in the Company's 2020 Annual MD&A dated February 25, 2021. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks and uncertainties which management reviews on a quarterly basis, have not materially changed in the period since February 25, 2021.

14. OUTSTANDING SHARE DATA

Aecon is authorized to issue an unlimited number of common shares. The following are details of common shares outstanding and securities that are convertible into common shares.

In thousands of dollars (except share amounts)		July 22, 2021
Number of common shares outstanding		60,317,963
Outstanding securities exchangeable or convertible into common shares:		
Principal amount of convertible debentures outstanding (See Note 17 to the June 30, 2021 interim condensed consolidated financial statements)	$	184,166
Number of common shares issuable on conversion of convertible debentures		7,760,439
Increase in paid-up capital on conversion of convertible debentures	$	184,166
DSUs and RSUs outstanding under the Long-Term Incentive Plan and the 2014 Director DSU Plan		3,708,630

15. OUTLOOK

Aecon's overall outlook for 2021 remains positive, supported by strong backlog, recurring revenue programs, and pipeline of bidding opportunities for new work. During the second quarter, new awards of almost $1.6 billion resulted from strong demand for Aecon's services across Canada in smaller and medium sized projects, and also incorporated a number of multi-year projects in the nuclear, civil operations and urban transportation systems, and industrial sectors. Aecon is also pre-qualified on a number of large project bids due to be awarded over the next twelve to eighteen months. Recurring revenue is expected to continue to grow in both the utilities sector, based on the capital investment plans of a number of key clients, particularly in telecommunications and power-related work, and the Concessions segment as airport traffic in Bermuda continues its recovery from the impact of the COVID-19 pandemic. Furthermore, the Company expects that demand for its services will remain healthy for the foreseeable future as the federal government and provincial governments across Canada have identified investment in infrastructure as a key source of stimulus as part of economic recovery plans.

While the COVID-19 pandemic is expected to continue to have some impact in moderating overall revenue and profitability growth expectations, the Company is encouraged by the generally positive trend in the lifting of social and economic restrictions in recent months in Canada. Although the operating environment continues to be impacted by the requirement to follow client decisions related to schedules or operating policies or due to broader government directives to modify work practices to meet relevant health and safety standards, the impact on revenue is expected to lessen going forward if the current trend continues. Until normal operations fully resume, however, there is no guarantee that all related costs will be recovered and therefore it is possible that future project margins could be impacted.

In the Concessions segment, commercial operations at the Bermuda International Airport continue to be challenged by COVID-19 related travel restrictions, which have significantly impacted the aviation industry. An increase in vaccination rates and the easing of travel restrictions during the second quarter provided early signs of a rebound, from very low levels, in passenger traffic for the aviation industry. Increasing vaccination rates and easing travel restrictions in the second half of the year are expected to lead to a corresponding gradual improvement in travel through the Bermuda airport during the remainder of the year and into 2022.

Aecon's financial position, liquidity and capital resources remain strong, and are expected to be sufficient to finance its operations and working capital requirements for the foreseeable future. As at June 30, 2021, Aecon had a committed revolving credit facility of $600 million, of which $10 million was drawn, and $10 million was utilized for letters of credit. On June 30, 2021, Aecon completed a two-year extension of its revolving credit facility which now matures on June 30, 2025. The Company has no debt or working capital credit facility maturities until the second half of 2023, except equipment loans and leases in the normal course.

As noted above, the overall outlook for 2021 remains positive as construction continues on a number of projects that ramped up in 2019 and 2020, and due to the level of backlog and new awards during 2021 and the strong demand environment for Aecon's services going forward, including recurring revenue programs, all subject to the unknown impacts of COVID-19 going forward.