

# Investor Presentation

**FIRST QUARTER 2022**

AECON GROUP INC. (TSX: ARE)

# Forward-Looking Information

The information in this presentation 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 2021 Annual MD&A dated March 1, 2022 and available through SEDAR at [www.sedar.com](http://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.

# Non-GAAP and Supplementary Financial Measures

The presentation 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 presentation, 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: “Adjusted EBITDA”, “Equity Project EBITDA”, “Backlog”, “Adjusted EBITDA margin.” “Gross profit margin” is a supplementary financial measure.

Refer to Section 4 “Non-GAAP and Supplementary Financial Measures” in the Company's Q1 2022 Management's Discussion and Analysis (“MD&A”) available through SEDAR at [www.sedar.com](http://www.sedar.com) for the definitions of non-GAAP and supplementary financial measures as well as non-GAAP ratios used in this presentation.

Refer to Section 9 “Quarterly Financial Data” in the Company's Q1 2022 MD&A for a quantitative reconciliation of the above-mentioned measures to the most comparable financial measures presented in the primary financial statements of the Company.

# Why Invest in Aecon?

THE #1 CANADIAN INFRASTRUCTURE COMPANY



## Unprecedented Demand

**\$6.4B**  
BACKLOG<sup>@</sup>

**\$50B+**  
ACTIVE BID  
PIPELINE

- Record level of infrastructure investment underway across Aecon's focus areas
- Government investment in infrastructure is a key source of economic stimulus as part of COVID-19 recovery plans
- Strong private sector, multi-year capital programs
- Positive population and immigration dynamics driving long-term, sustainable demand
- Partner of choice for international and domestic players
- Strong track record of growth



## Diversified & Resilient Business Model

**\$4.2B**  
TOTAL  
REVENUE<sup>\*</sup>

**\$209M**  
CONSTRUCTION  
EBITDA<sup>\*,+@</sup>

**\$68M**  
CONCESSIONS  
EBITDA<sup>\*,+@</sup>

- Diversified by geography, sector, contract size and type in Construction segment
- ~700 discrete projects underway with average project size <\$30 million
- Valuable and growing Concessions portfolio
- Strong recurring revenue base adds further stability and growth opportunity to business mix
- ~40% of Q1 2022 TTM revenue from non-fixed price contracts; target to increase this to at least 50% over the next 18 – 24 months
- Well positioned in growth markets linked to sustainability



## Sustainable Shareholder Value Creation

**10%**  
10 YEAR  
DIVIDEND  
CAGR<sup>^</sup>

**29%**  
5 YEAR TOTAL  
SHAREHOLDER  
RETURN<sup>&</sup>

- Disciplined, balanced and diverse capital allocation program and strategy
- History of consistent dividend increases
- Growth in Concessions portfolio provides future value creation options
- Focused on sustainability, including a 30% GHG reduction target by 2030 and a net zero target by 2050
- Over 60% of 2021 revenue tied to sustainability projects<sup>#</sup>
- Current valuation multiple provides attractive upside potential
- First Canadian construction company to incorporate a sustainability-linked credit facility tied to ESG objectives

<sup>\*</sup> Q1 2022 Trailing Twelve Months ("TTM")

<sup>+</sup> Before corporate costs and eliminations

<sup>^</sup> Compound Annual Growth Rate ("CAGR") of annual dividend from 2013 to 2022

<sup>&</sup> December 31, 2016 to December 31, 2021

<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.

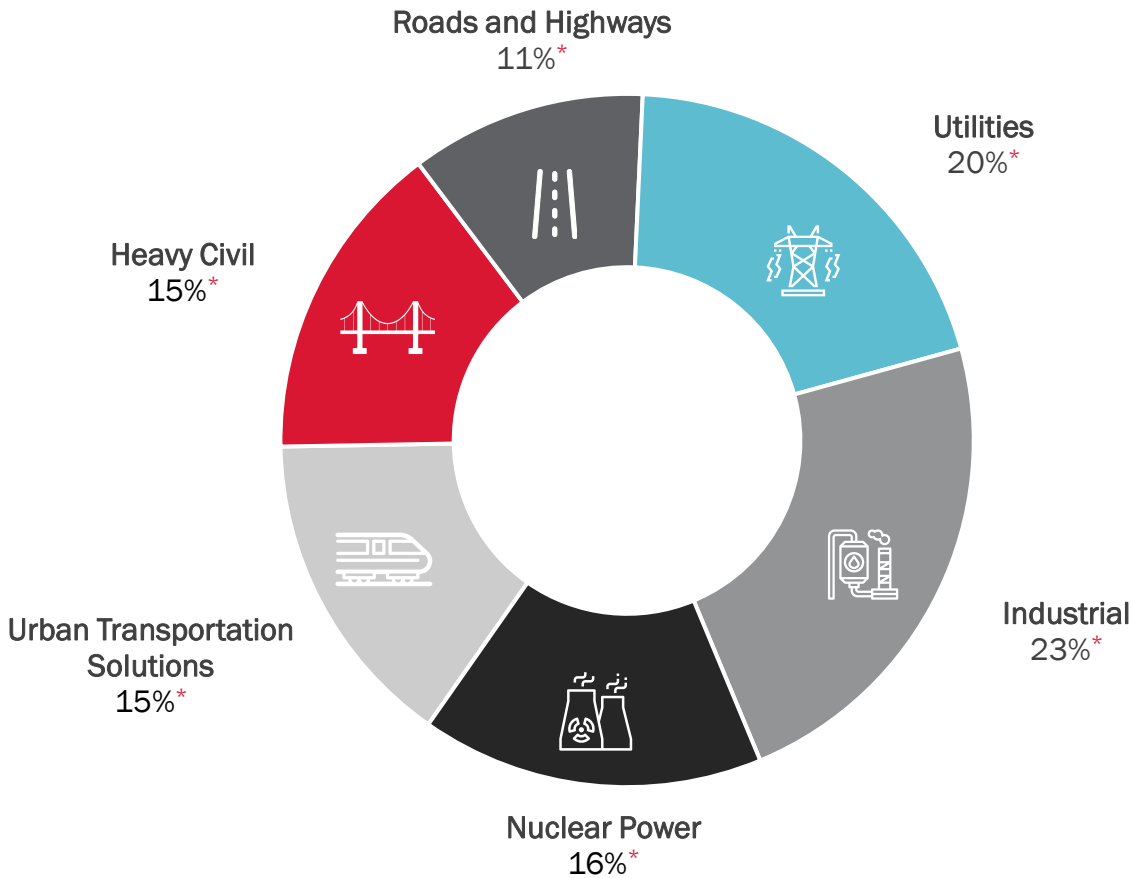
<sup>#</sup> Sustainability projects help to preserve and protect the environment, but also help to preserve the ability of society to sustain itself. Including but not limited to, projects that: reduce emissions, support the transition to a net-zero economy, support clean water use and conservation, and reduce/recycle waste.



# Diverse & Resilient Business Model

## Construction

Q1 2022 TTM Revenue. \$4,142 M<sup>+</sup>  
Q1 2022 TTM EBITDA \$209 M<sup>+,@</sup>



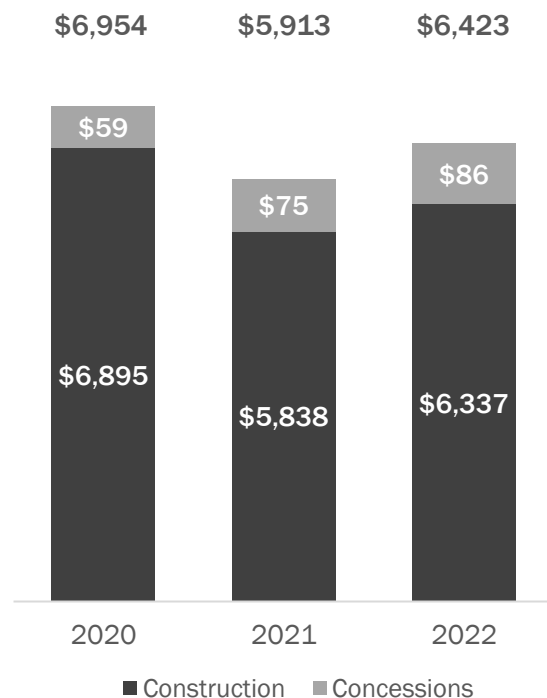
## Concessions

Q1 2022 TTM Revenue \$72 M<sup>+</sup>  
Q1 2022 TTM EBITDA \$68 M<sup>+,@</sup>

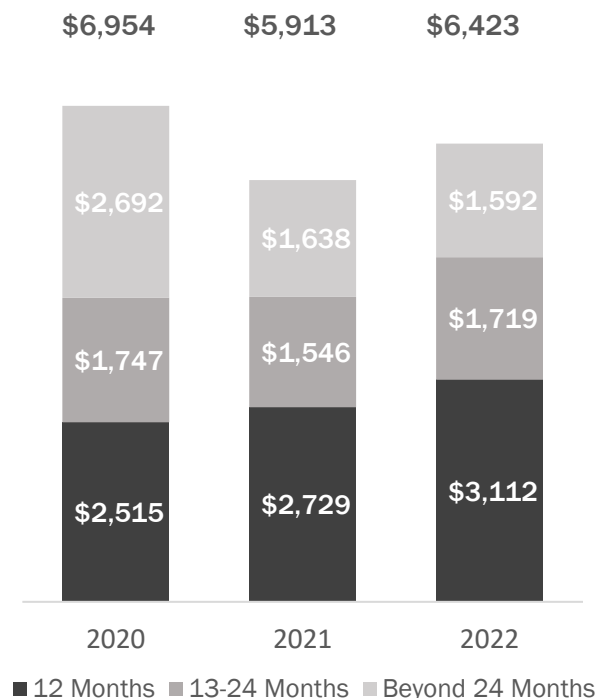
|   |   |                         |
|---|---|-------------------------|
|    | <b>BERMUDA INTERNATIONAL AIRPORT</b>    | <b>100%<sup>^</sup></b> |
|    | <b>FINCH WEST LRT</b>                   | <b>33%<sup>^</sup></b>  |
|    | <b>EGLINTON LRT</b>                     | <b>25%<sup>^</sup></b>  |
|   | <b>GORDIE HOWE INTERNATIONAL BRIDGE</b> | <b>20%<sup>^</sup></b>  |
|  | <b>WATERLOO LRT</b>                     | <b>10%<sup>^</sup></b>  |

# Strong Backlog & Recurring Revenue Profile

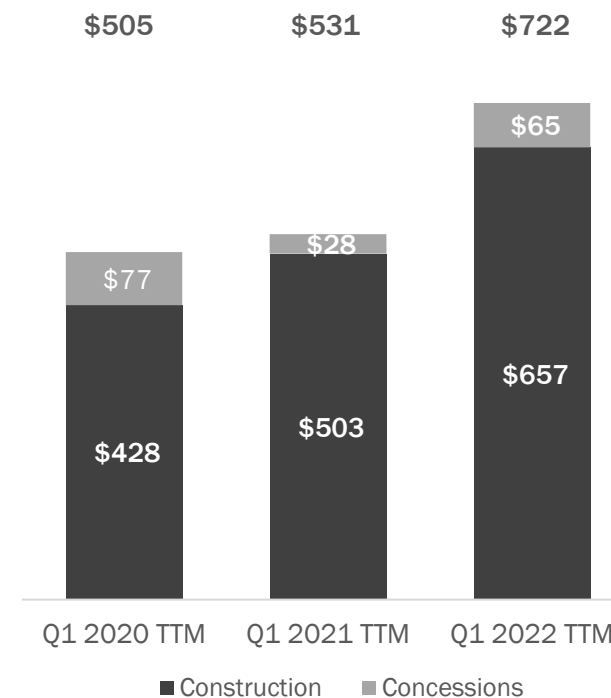
**Total Backlog\*<sup>Ⓜ</sup> (\$M)** As at March 31



**Backlog Duration\* (\$M)** As at March 31



**Recurring Revenue\* (\$M)**



64% Fixed Price

36% Cost Plus/ Unit Price

**Backlog Contract Type As at March 31, 2022**

61% Fixed Price

39% Cost Plus/Unit Price

**2022 Q1 TTM Revenue <sup>+</sup>**

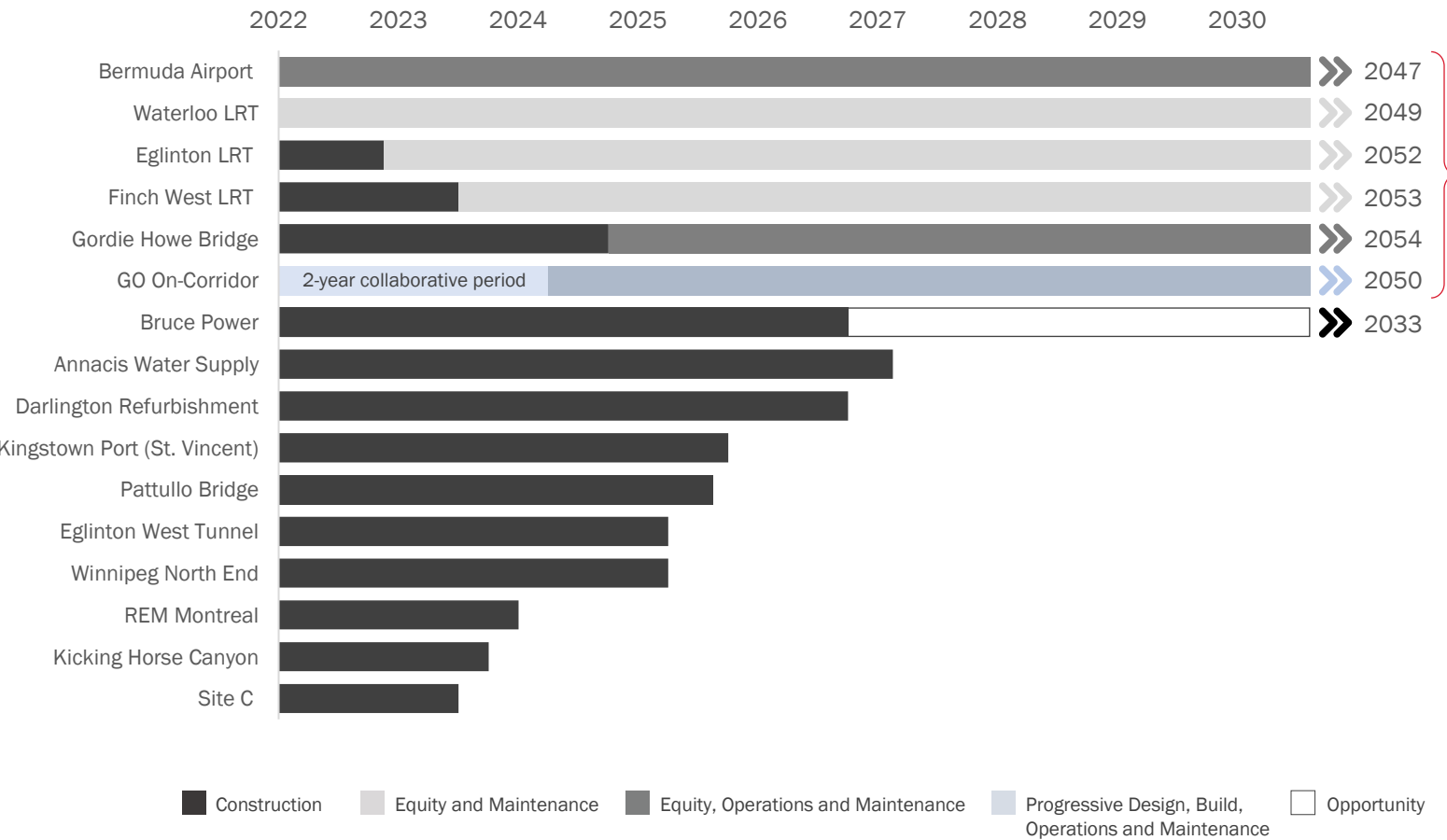
\* Recurring revenue is not included in backlog and is, therefore, revenue over and above work to be performed from contracts in backlog

<sup>+</sup> TTM Revenue contract mix reflects inclusion of recurring revenue (Cost Plus/Unit Price) and timing of backlog work off

<sup>Ⓜ</sup> This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.

# Major Projects & Concessions Provide Stability

Project Timeline (Starting from 2022)



Dates above are general estimates of completion and may not reflect final completion date  
\* Values reflect total project size, not necessarily Aecon's share, as all projects listed are with partners except Bermuda Airport

## P3 Concessions / DBOM\*

**Bermuda Airport**  
US\$274 million; construction started 2017 and completed 2020; 100% equity stake and 30 year concession began in 2017

**Waterloo LRT**  
\$583 million; construction started 2014 and completed 2019; 10% equity stake and 30 year concession began in 2019

**Eglinton LRT**  
\$5.3 billion; construction started 2015 and target completion 2022; 25% equity stake and 30 year concession post construction

**Finch West LRT**  
\$2.5 billion; construction started 2018 and target completion 2023; 33% equity stake and 30 year concession post construction

**Gordie Howe Bridge**  
\$5.7 billion; construction started 2018 and target completion 2024; 20% equity stake and 30 year concession post construction

**GO Rail Expansion – On-Corridor**  
Aecon holds a 50% interest in a civil JV, which is undertaking the construction, and a 28% interest in a 25-year O&M partnership

## Other Major Projects\*

**Bruce Power Nuclear Refurbishment**  
~\$900 million for the first two of six total units for fuel channel and feeder replacement (FCFR). Aecon consortium has a Preferred Supplier Agreement with Bruce Power for subsequent four units; total potential project duration to ~2033.

**Annacis Water Supply Tunnel Project**  
\$115 million; 5 year project started 2022

**Darlington Nuclear Refurbishment**  
\$2.75 billion; 10 year project started 2016

**Kingstown Port Modernization Project (SVG)**  
US\$170 million; 3 year project started 2022

**Pattullo Bridge Replacement**  
\$968 million; 5 year project started 2020

**Eglinton Crosstown West Extension Tunnel**  
\$729 million; 4 year project started 2021

**Winnipeg North End Sewage Plant**  
\$272 million; 4 year project started 2021

**REM LRT Montreal / Airport Station**  
\$6.9 billion; 6 year project started 2018; Aecon JV also selected as the preferred proponent for the Montreal-Trudeau International Airport REM Station project

**Kicking Horse Canyon – Phase 4**  
\$441 million; 4 year project started 2020

**Site C Generating Station & Spillways**  
\$1.6 billion; 5 year project started 2018

# Unparalleled Demand Aligned with Aecon's Strengths<sup>^</sup>

## Federal Infrastructure Programs

### **\$180B** | Invest in Canada Plan<sup>#</sup>

12-year Federal investment plan 2016 to 2028

To date, more than \$20B approved for over 4,500 projects including the Montreal Blue Line, Calgary Green Line, and Vancouver Millennium extensions

\$2.7B investment in Universal Broadband Fund over six years

\$2.2B one-time investment in roads, bridges, water and wastewater plants in municipalities and First Nations communities

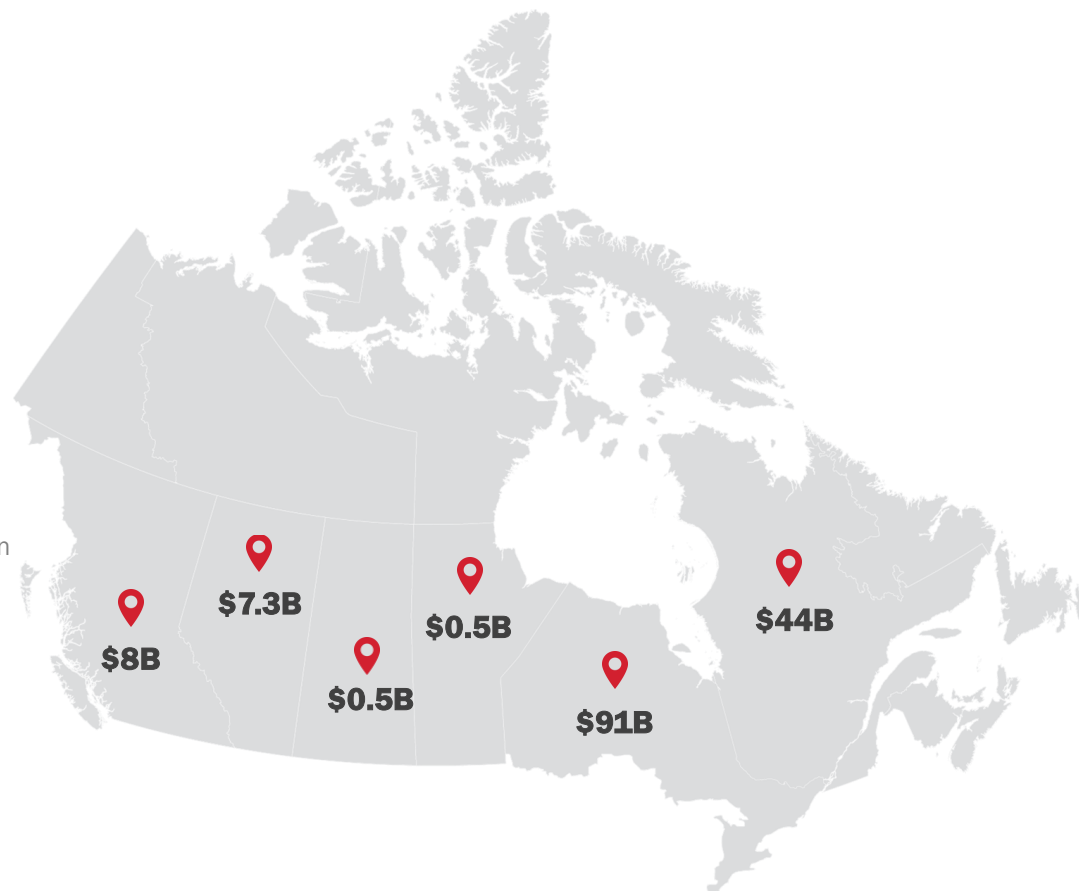
### **\$35B** | Canada Infrastructure Bank

\$10B investments between 2020 and 2023 announced in October 2020 including i) \$1.5B for Zero Emission Buses ii) \$2.5B for Clean Power iii) \$2B for Broadband iv) \$1.5B for Agriculture infrastructure and v) \$500M for project acceleration to expedite due diligence and early works construction

Budget 2022 included a broadened role for CIB to invest in private sector-led infrastructure projects that will accelerate Canada's transition to a low-carbon economy such as small modular reactors (SMR), clean fuel production, transportation and distribution, and carbon capture, utilization and storage

### **\$15B** | Canada Growth Fund<sup>#</sup>

To help build a net-zero economy by 2050 by accelerating the investment of private capital into decarbonization and clean technology projects



## Provincial Budgets

### **\$8B** | BC Budget

Transportation investment over 3 years from 2022

### **\$7.3B** | Alberta Budget

Transportation and public transit investment over 3 years from 2022

### **\$0.5B** | Saskatchewan Budget

Transportation investment in 2022

### **\$0.5B** | Manitoba Budget

Transportation investment in 2022

### **\$91B** | Ontario Budget

\$87B in Transit and Transportation investment over 10 years from 2022, including \$25B in road and highways and \$62B in transit.

\$4B beginning in 2019 to provide high speed internet access to every community in Ontario by the end of 2025

### **\$44B** | Quebec Budget

Investment in road and transit infrastructure over 10 years from 2022 including \$31B investment in roads

# Strong Public and Private End Market Demand

**\$50+ Billion\***

IN MAJOR PROJECT PURSUITS

|   |     |       |
|---|-----|-------|
| Pont de l'Île-aux-Tourtes                               | DBF | QC    |
| VIA Rail Maintenance Facilities Modernization (MTL/TOR) |     | QC/ON |
| Highway 3 Expansion Project                             |     | ON    |
| Oneida Energy Storage Project                           |     | ON    |
| Ontario Line Subway (Civil, Rolling Stock and O&M)      | P3  | ON    |
| SmartTrack (Landsdowne stations)                        |     | ON    |
| Deerfoot Trail Improvements (Calgary)                   | P3  | AB    |
| YYC West Runway Rehabilitation                          |     | AB    |
| Yellowhead Trail Construction                           |     | AB    |
| John Hart Dam Seismic Upgrade                           |     | BC    |
| I-10 Calcasieu River Bridge (US)                        | P3  | LA    |

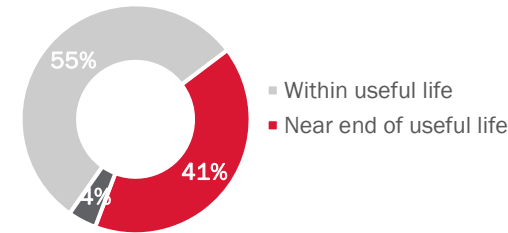
Diversified series of pursuits by sector and geography | Opportunities strongly correlate with Aecon's experience, expertise and sustainability goals

## Strong Private Sector End Market Demand ^

SUPPORTED BY NORTH AMERICAN UTILITY INVESTMENTS

### ELECTRIC UTILITY DISTRIBUTION

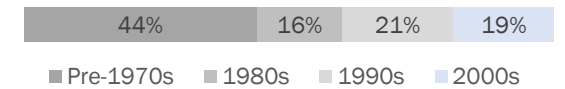
**Aging Electric Infrastructure**  
Distribution infrastructure age relative to useful life



Annual capex related to electricity distribution to grow from ~US\$50B in 2021 to \$63B in 2025 in North America

### GAS UTILITY DISTRIBUTION

**Aging Gas Infrastructure**  
Gas Distribution Pipelines Constructed (By decade)

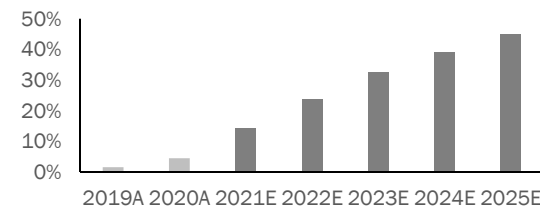


Nearly 45% of gas distribution infrastructure in North America is near or at the end of its useful life of 40 years

Annual capex related to gas distribution to be in a range of ~US\$26B to \$28B from 2021 to 2025 in North America

### TELECOMMUNICATIONS

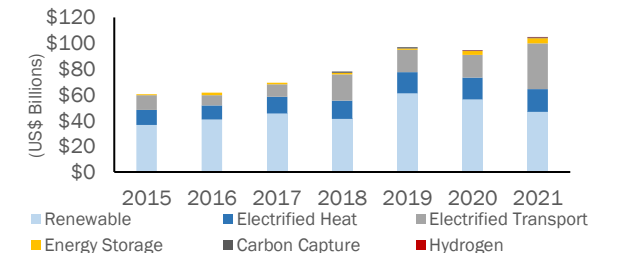
**North American 5G Adoption Rate**  
Percentage of Wireless Connections on 5G



Supported by increasing fibre-to-the-home needs by all major North American carriers

### ENERGY TRANSITION

**Energy Transition Investment, by sector**  
Investment up over 70% since 2015





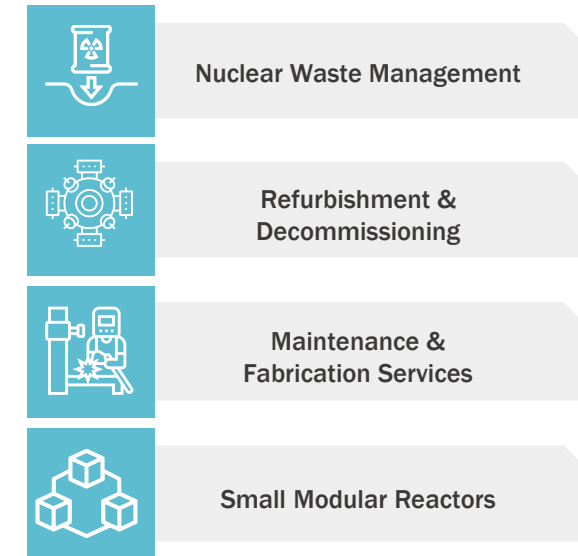
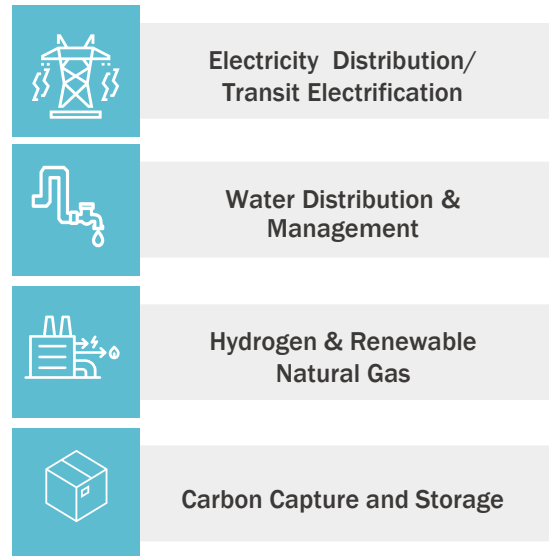
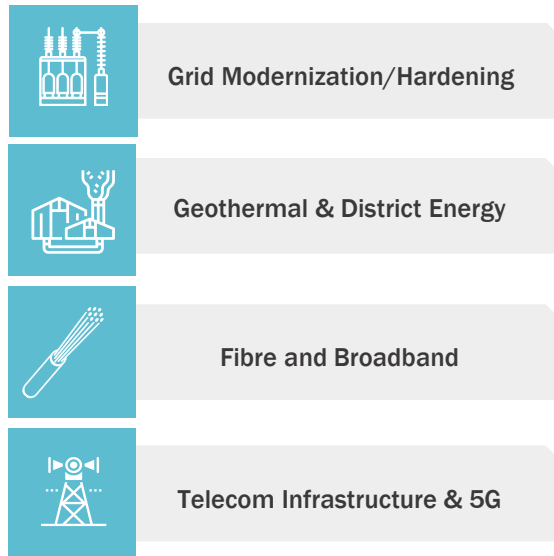
# Well Positioned to Capture Emerging Growth in Key Sectors

## Utilities and Industrial

- Extensive capabilities in various stages of the value chain levered towards building the resilient, low carbon and connected infrastructure of tomorrow
- Nationwide presence and long-term relationships with key clients in areas of telecommunications, gas and electric utilities, alternative energy and industrials
- Opportunity to lead in sustainability and technological advancements

## Nuclear

- Current multi-year programs with OPG and Bruce Power
- Future opportunities in small modular reactors (SMR) and waste management
- US growth from current niche platform



# Valuable Concessions and O&M Portfolio

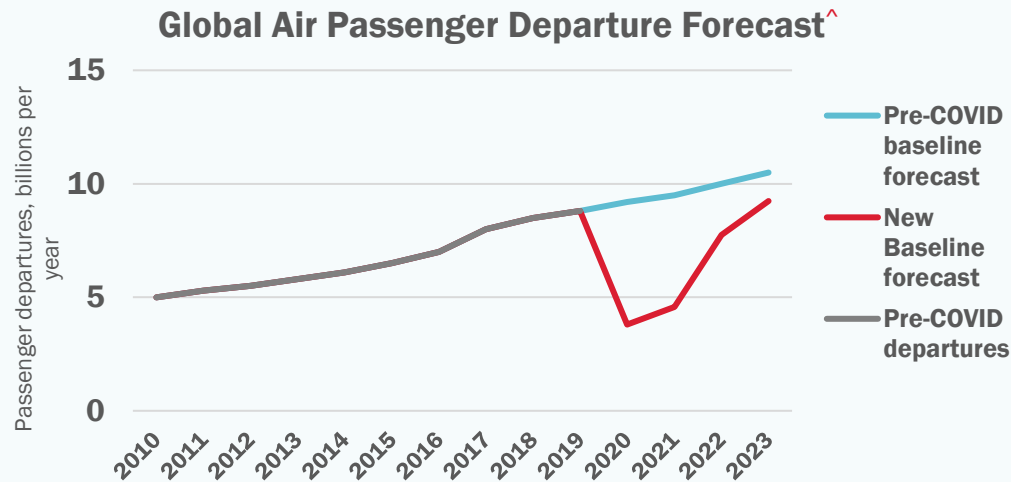


## Bermuda L.F. Wade International Airport

100% equity ownership and concession

New terminal opened on December 9, 2020

30-year operations and maintenance concession to 2047



Bermuda travel protocols ensure strong levels of passenger safety



State-of-the-art airport allows for best-in-class health protocols and US pre-clearance for safe and predictable travel experience



More stable domestic and corporate travel base with less than 50% of traffic linked to tourism specifically



**2021 DFNI Americas Award for the Most Supportive Approach to Retail for Skyport<sup>\*</sup>**



**2021 CCPPP Award for Innovations and Excellence in P3s<sup>&</sup>**



**2021 Best Airport by Size and Region (under 2 million passengers per year in Latin America and Caribbean)<sup>#</sup>**



## Canadian LRTs

- 30 year maintenance concessions on Eglinton, Finch and Waterloo LRTs
- Availability-based payments with no revenue risk from provincial transit counterparties
- Proven team currently bidding on other Canadian transit projects



## GO On-Corridor Works

- 25 year operations & maintenance agreement in development for the GO Rail Expansion project in Ontario
- Transformative opportunity involving electrification of system, new vehicle fleet and enhanced service



## Gordie Howe International Bridge

- 30 year operations and maintenance concession
- Availability-based payments with no revenue risk from Canadian Federal Government
- **Envision Platinum Award** for leader in sustainable development in 2021
- **P3 Bulletin GOLD award** for 2020 ESG Performance of the Year




# Concessions Leadership in Infrastructure Development

- ✓ Proven capability to develop, construct, finance and operate diverse infrastructure concessions in Canada and internationally
- ✓ Solutions-based, partner of choice to international construction firms, governments and financial institutions
- ✓ Leader in technology and systems integration in transit, tolling, airport infrastructure and innovative financing models
- ✓ Provides for stable, long-term cash flow opportunity with flexibility to monetize interests for future development projects
- ✓ Opportunity to build on expertise to target innovative development and concession opportunities in industrial, power, cleantech, and other related markets

## CAPABILITIES

|  |                             |
|--|-----------------------------|
|   | PUBLIC PRIVATE PARTNERSHIPS |
|   | STRATEGIC PARTNERING        |
|   | PROJECT DEVELOPMENT         |
|   | PROJECT FINANCING           |
|  | OPERATIONS & MAINTENANCE    |

## GROWTH OPPORTUNITIES

|  |                                       |
|--|---------------------------------------|
|   | CANADIAN TRANSPORTATION & TRANSIT P3s |
|   | RENEWABLE ENERGY                      |
|   | UTILITIES                             |
|   | INDIGENOUS PARTNERSHIPS               |
|  | INTERNATIONAL (AIRPORTS & OTHER)      |

# Q1 2022 Financial Results (excluding CEWS)^

Q1 2021, Q1 2021 TTM, and Q1 2022 TTM results exclude net benefit from the Canada Emergency Wage Subsidy (“CEWS”) program of \$7.8 million, \$87.5 million, and \$24.1 million, respectively

| \$ Millions<br>(except per share amounts) | Three Months Ended<br>March 31 |        |                     | Twelve Months Ended<br>March 31 |       |                     |
|---|--------------------------------|--------|---------------------|---------------------------------|-------|---------------------|
|   | 2022                           | 2021   | Change <sup>+</sup> | 2022                            | 2021  | Change <sup>+</sup> |
| Revenue                                   | 986                            | 754    | ▲ 31%               | 4,209                           | 3,650 | ▲ 15%               |
| Gross Profit                              | 61.1                           | 49.5   | ▲ 23%               | 339.7                           | 300.1 | ▲ 13%               |
| Gross Margin % <sup>&amp;</sup>           | 6.2%                           | 6.6%   | ▼ 40 bps            | 8.1%                            | 8.2%  | ▼ 10 bps            |
| Adjusted EBITDA <sup>@</sup>              | 20.6                           | 13.0   | ▲ 58%               | 214.6                           | 178.5 | ▲ 20%               |
| Adjusted EBITDA Margin % <sup>*</sup>     | 2.1%                           | 1.7%   | ▲ 40 bps            | 5.1%                            | 4.9%  | ▲ 20 bps            |
| Operating Profit (Loss)                   | (9.6)                          | (18.0) | ▲ 47%               | 95.3                            | 61.8  | ▲ 54%               |
| Profit (Loss)                             | (17.4)                         | (24.2) | ▲ 28%               | 32.9                            | 16.7  | ▲ 97%               |
| Earnings (Loss) per share – diluted       | (0.29)                         | (0.40) | ▲ 28%               | 0.51                            | 0.28  | ▲ 84%               |
| New Awards                                | 1,211                          | 213    | ▲ 469%              | 4,719                           | 2,609 | ▲ 81%               |
| Backlog <sup>@</sup>                      | 6,423                          | 5,913  | ▲ 9%                | 6,423                           | 5,913 | ▲ 9%                |

<sup>^</sup> Refer to Appendix Page 19 for Reported Results

<sup>+</sup> bps = basis point

<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

<sup>\*</sup> This is a non-GAAP financial ratio. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

<sup>&</sup> This is a supplementary financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

# Financial Position, Liquidity and Capital Resources

| Balance Sheet (\$M)  |                |
|--|----------------|
|  | March 31, 2022 |
| Core Cash  | 2.6            |
| Bank Indebtedness  | (105.0)        |
| Cash in Joint Operations                                     | 430.8          |
| <b>Total Cash<sup>^</sup></b>                                | <b>328.4</b>   |
| Net Working Capital <sup>†</sup>                             | 277.4          |
| Long-Term Debt <sup>∞</sup>                                  |                |
| - Finance Leases   | 165.8          |
| - Equipment & Other Asset Loans                              | 59.9           |
| LT Debt excluding Convertible Debentures <sup>∞</sup>        | 225.7          |
| Convertible Debentures (Face Value) due Dec. 2023 (5.0%)     | 184.0          |
| <b>Total LT Debt plus Convertible Debentures<sup>∞</sup></b> | <b>409.7</b>   |
| LT Debt to Q1 2022 TTM Adjusted EBITDA <sup>&amp;∞@</sup>    |                |
| - Excluding Convertible Debentures                           | 0.9 x          |
| - Including Convertible Debentures                           | 1.7x           |
| Net Debt to Q1 2022 TTM Adjusted EBITDA <sup>†</sup>         | 2.1 x          |

| Free Cash Flow (\$M)                               |                |                |
|--|----------------|----------------|
|  | Q1 2022<br>TTM | Q1 2021<br>TTM |
| <b>Adjusted EBITDA<sup>@</sup></b>                 | <b>238.7</b>   | <b>266.1</b>   |
| Cash Interest Expense (net)                        | (40.6)         | (42.4)         |
| Capital Expenditures (net)                         | (16.6)         | (26.4)         |
| Income Taxes Paid                                  | (32.9)         | (55.0)         |
| <b>Free Cash Flow Before W/C and net JV Impact</b> | <b>148.6</b>   | <b>142.3</b>   |
| Change in Working Capital                          | (275.3)        | 81.3           |
| Net JV Impact <sup>*</sup>                         | (52.9)         | (46.1)         |
| <b>FREE CASH FLOW ~#</b>                           | <b>(179.6)</b> | <b>177.5</b>   |

- \$1.5 billion total committed credit facilities for working capital and letter of credit requirements
- No debt or working capital credit facility maturities until the second half of 2023, except equipment loans and leases in the normal course
- During 2021, Aecon completed a two-year extension of its revolving credit facility (to June 30, 2025) and incorporated a sustainability-linked facility which is tied to the Company's ESG objectives

<sup>^</sup> Excludes restricted cash associated with Bermuda Airport Project

<sup>∞</sup> Excludes non-recourse project debt associated with Bermuda Airport Project

<sup>†</sup> Net debt calculated as long-term debt (including convertible debentures) plus bank indebtedness less core cash

<sup>&</sup> Calculations based on face value of convertible debentures

<sup>†</sup> Net Working Capital is a Capital Management measure that management uses to analyze and evaluate Aecon's liquidity and its ability to generate cash to meet its short-term financial obligations. Management also believes this measure is commonly used by the investment community for valuation purposes. Refer to page 23 in this presentation for the composition of Net Working Capital and a quantitative reconciliation to the most comparable financial measure.

<sup>\*</sup> Net JV Impact represents the difference between Equity Project EBITDA included in Adjusted EBITDA (Equity Project EBITDA as defined in Aecon's Q1 2022 MD&A) and distributions from projects accounted for using the equity method.

<sup>~</sup> Excludes \$27 million purchase of Pacific Electrical Installations in November 2021.

<sup>#</sup> Free Cash Flow is a Capital Management measure that management uses to analyze and evaluate the cash generated after taking into consideration cash outflows that support its operations and maintain its capital assets. Management also believes this measure is commonly used by the investment community for valuation purposes. Refer to page 23 in this presentation for a quantitative reconciliation to the most comparable financial measure.

<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.



# Diverse Capital Allocation Program

Focus on **Profitable Growth** and **Risk Management** to drive **Shareholder Returns**



## Profitable Growth

- Support capital expenditures and investments in new projects, technology and equipment
- Investment in value creating Concessions portfolio
- Tuck-in acquisitions to expand capabilities and geographic end markets



## Preserve Financial Strength

- Strong and liquid balance sheet to support pursuit and execution of major projects and concessions
- Lead joint ventures, attract the right partners and achieve desired project credit ratings
- Demonstrate resiliency and capacity to absorb working capital and risk management requirements



## Enhance Shareholder Returns

- Dividends have increased 9 of the last 10 years with 10% CAGR<sup>\*</sup>
- 5 year Total Shareholder Return of 29%<sup>@</sup>

## Balanced and Diversified Capital Allocation



**Capital Expenditures & Investments<sup>&</sup>**  
\$524 million over the last 5 years<sup>+</sup>



**Dividends**  
\$171 million over the last 5 years<sup>+</sup>



**M&A** >\$60 million over the last three years for six strategic, tuck-in acquisitions



**NCIB**  
>\$23 million between November 2019 and March 2020

# Outlook

- Aecon's overall outlook for 2022 remains positive with strong backlog of \$6.4 billion at the end of the first quarter, growing recurring revenue programs, and a continued strong demand environment for construction services across North America. An Aecon consortium has been selected to deliver the transformative, multi-billion-dollar GO Rail Expansion On-Corridor Works project in Ontario under a progressive design, build, operate and maintain contract model. Aecon is also pre-qualified on a number of large project bids due to be awarded during 2022 and has a robust pipeline of opportunities to further add to backlog over time.
- Recurring revenue is expected to continue to grow driven by demand in the utilities sector, and the Concessions segment is expected to see airport traffic in Bermuda continue its recovery during 2022 from the impact of the COVID-19 pandemic.
- Aecon expects that demand for its services will remain healthy for the foreseeable future as federal and local governments across Canada and the US have identified investment in infrastructure as a key source of stimulus as part of economic recovery plans.
- Aecon is encouraged by the generally positive trend in the lifting of social and economic restrictions in Canada and other jurisdictions related to COVID-19; however, COVID-19 continues to impact the operating environment, including its impact on air traffic related to the Bermuda International Airport as well as labour availability, supply chain disruption, and the rate of inflation. Until a return to a more normal operating environment, and inflation and supply chain disruption subsides, 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 Construction segment, Aecon continues to be well positioned to successfully bid on, secure and deliver major infrastructure projects for government and the private sector as demonstrated by recent awards, growth in recurring revenue programs, and strong backlog. Bidding activity continues to be robust with a number of the Company's larger pursuits expected to be awarded in 2022. With strong and diverse backlog in hand, Aecon is focused on ensuring solid execution on its projects and selectively adding to backlog through a disciplined bidding approach that supports continued margin improvement in this segment.
- In the Concessions segment, in addition to expecting a gradual recovery in travel through the Bermuda International Airport during 2022, there are a number of opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months, including in the US, where Aecon is pre-qualified to bid on the I-10 Calcasieu River Bridge P3 Project in Louisiana, and in innovative projects with private sector clients that support a collective focus on sustainability and the transition to a net-zero economy.



# Sustainability

We actively manage and improve our environmental, social and governance performance & identify opportunities in sustainability that drive growth for the business.

| Environmental Leadership   | Our People and Communities   | Responsible Governance   |
|--|--|--|
| <p>First construction company in Canada to set a GHG target</p> <ul style="list-style-type: none"><li>2030 – 30% reduction in Direct CO<sub>2</sub> Emissions</li><li>2050 – Net-Zero for Direct and Indirect CO<sub>2</sub> Emissions</li></ul> <p>15% reduction in emissions intensity in 2021 (compared to 2020)</p> <p>Exploring low carbon options for vehicles and construction equipment</p> <p>Greening our Supply Chain</p> | <p>Canada's Best Places to Work (Glass Door 2021)</p> <p>200 Best Employers in Canada (Kincentric 2020)</p> <p>Partnerships to achieve goals</p> <ul style="list-style-type: none"><li>Aecon Women In Trades (AWIT)</li><li>Long term, operating joint ventures with 2 First Nations in Alberta &amp; 1 in Ontario</li></ul> | <p>2021 Sustainability Report</p> <p>Commitment to UN Sustainable Development Goals</p> <div><div>7 AFFORDABLE AND CLEAN ENERGY<br/></div><div>11 SUSTAINABLE CITIES AND COMMUNITIES<br/></div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE<br/></div><div>17 PARTNERSHIPS FOR THE GOALS<br/></div></div> <p>First Canadian construction company to incorporate a sustainability-linked credit facility tied to ESG objectives</p> |

# GO Rail Expansion – On-Corridor Works Project

LARGEST TRANSIT PROJECT IN ONTARIO'S HISTORY

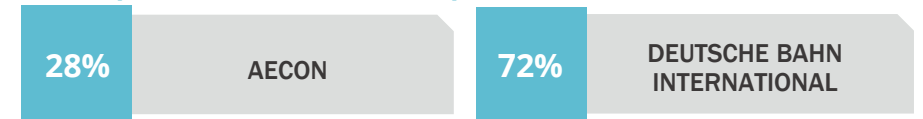
- ✓ Potential to be the largest construction project in Aecon's history
- ✓ ONxpress Transportation Partners has been officially selected by Infrastructure Ontario and Metrolinx to design, build, operate and maintain the GO Rail Expansion – On-Corridor Works project in the Greater Golden Horseshoe area
- ✓ Progressive and collaborative design, build, operate and maintain model is an evolution from traditional fixed price, lump sum procurement model designed to benefit all stakeholders
- ✓ ONxpress Transportation Partners is a consortium comprised of Aecon, FCC Construcción S.A. (FCC), Deutsche Bahn International Operations GmbH and Alstom
- ✓ Aecon holds a 50% interest in a civil joint venture with FCC, which is undertaking the construction, and a 28% interest in a 25-year O&M partnership with Deutsche Bahn International Operations
- ✓ Early works and a two-year collaboration development phase are expected to commence in Q2 2022, with O&M anticipated to commence in Q2 2024



## CONSTRUCTION



## O&M (25-YEAR CONTRACT)







# APPENDIX



# Q1 2022 Financial Results – Reported

Q1 2021, Q1 2021 TTM, and Q1 2022 TTM results include net benefit from the Canada Emergency Wage Subsidy (“CEWS”) program of \$7.8 million, \$87.5 million, and \$24.1 million, respectively

| \$ Millions<br>(except per share amounts) | Three Months Ended<br>March 31 |        |                     | Twelve Months Ended<br>March 31 |       |                     |
|---|--------------------------------|--------|---------------------|---------------------------------|-------|---------------------|
|   | 2022                           | 2021   | Change <sup>+</sup> | 2022                            | 2021  | Change <sup>+</sup> |
| Revenue                                   | 986                            | 754    | ▲ 31%               | 4,209                           | 3,650 | ▲ 15%               |
| Gross Profit                              | 61.1                           | 57.3   | ▲ 7%                | 370.6                           | 397.4 | ▼ 7%                |
| Gross Margin % <sup>&amp;</sup>           | 6.2%                           | 7.6%   | ▼ 140 bps           | 8.8%                            | 10.9% | ▼ 210 bps           |
| Adjusted EBITDA <sup>@</sup>              | 20.6                           | 20.8   | ▼ 1%                | 238.7                           | 266.1 | ▼ 10%               |
| Adjusted EBITDA Margin % <sup>*</sup>     | 2.1%                           | 2.8%   | ▼ 70 bps            | 5.7%                            | 7.3%  | ▼ 160 bps           |
| Operating Profit (Loss)                   | (9.6)                          | (10.2) | ▲ 6%                | 119.4                           | 149.4 | ▼ 20%               |
| Profit (Loss)                             | (17.4)                         | (18.4) | ▲ 5%                | 50.7                            | 81.0  | ▼ 37%               |
| Earnings (Loss) per share – diluted       | (0.29)                         | (0.31) | ▲ 6%                | 0.79                            | 1.20  | ▼ 34%               |
| New Awards                                | 1,211                          | 213    | ▲ 469%              | 4,719                           | 2,609 | ▲ 81%               |
| Backlog <sup>@</sup>                      | 6,423                          | 5,913  | ▲ 9%                | 6,423                           | 5,913 | ▲ 9%                |

<sup>+</sup> bps = basis point

<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

<sup>\*</sup> This is a non-GAAP financial ratio. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

<sup>&</sup> This is a supplementary financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

# Adjusted EBITDA Contribution by Segment (excluding CEWS)

Q1 2021, Q1 2021 TTM, and Q1 2022 TTM results exclude net benefit from the Canada Emergency Wage Subsidy (“CEWS”) program of \$7.8 million, \$87.5 million, and \$24.1 million, respectively

## Adjusted EBITDA (\$ Millions)<sup>@</sup>

|                          | Q1 2022     | Q1 2021     | % CHANGE     |
|--------------------------|-------------|-------------|--------------|
| Construction             | 19.3        | 14.3        | ▲ 35%        |
| Concessions              | 13.6        | 9.6         | ▲ 42%        |
| <b>TOTAL<sup>^</sup></b> | <b>20.6</b> | <b>13.0</b> | <b>▲ 58%</b> |

|                          | Q1 2022<br>TTM | Q1 2021<br>TTM | % CHANGE     |
|--------------------------|----------------|----------------|--------------|
| Construction             | 185.3          | 179.7          | ▲ 3%         |
| Concessions              | 67.7           | 37.3           | ▲ 82%        |
| <b>TOTAL<sup>^</sup></b> | <b>214.6</b>   | <b>178.5</b>   | <b>▲ 20%</b> |

## Adjusted EBITDA Margin %<sup>\*</sup>

|                          | Q1 2022     | Q1 2021     | BPS CHANGE       |
|--------------------------|-------------|-------------|------------------|
| Construction             | 2.0%        | 1.9%        | ▲ 10             |
| Concessions              | 94.4%       | 84.2%       | nmf <sup>#</sup> |
| <b>TOTAL<sup>^</sup></b> | <b>2.1%</b> | <b>1.7%</b> | <b>▲ 40</b>      |

|                          | Q1 2022<br>TTM | Q1 2021<br>TTM | BPS CHANGE       |
|--------------------------|----------------|----------------|------------------|
| Construction             | 4.5%           | 5.0%           | ▼ 50             |
| Concessions              | 94.6%          | 45.3%          | nmf <sup>#</sup> |
| <b>TOTAL<sup>^</sup></b> | <b>5.1%</b>    | <b>4.9%</b>    | <b>▲ 20</b>      |

<sup>^</sup> After corporate costs and eliminations

<sup>#</sup> Not Meaningful

<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

<sup>\*</sup> This is a non-GAAP financial ratio. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

# Construction Q1 2022 Results (excluding CEWS)

Q1 2021, Q1 2021 TTM, and Q1 2022 TTM results exclude net benefit from the Canada Emergency Wage Subsidy ("CEWS") program of \$7.8 million, \$87.5 million, and \$24.1 million, respectively

**Revenue** up by **\$228M**, or **31%**, quarter-over-quarter

- ▲ \$90M in Industrial operations due to increased activity on mainline pipeline work in western Canada and higher field construction work at mining and chemical facilities
- ▲ \$64M in Civil operations from an increase in major projects and roadbuilding construction work
- ▲ \$41M in Nuclear operations driven by increased volume of refurbishment work at nuclear generating stations in Ontario and the U.S.
- ▲ \$38M in Utilities operations from increased volume of oil and gas distribution, high-voltage electrical transmission, and telecommunications work
- ▼ \$5M in Urban Transportation Solutions driven primarily by a lower volume of LRT project work in Ontario

**Adjusted EBITDA<sup>®</sup>** up by **\$5M**, or **36%**, quarter-over-quarter

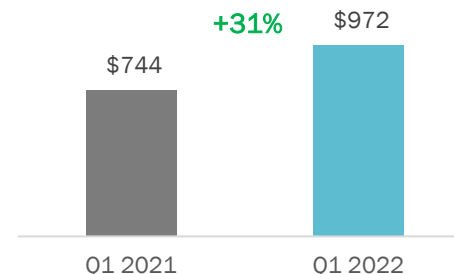
- ▲ Higher volume and gross profit margin in Civil operations and higher volume in Nuclear and Utilities operations
- ▼ Lower gross profit margins in Urban Transportation Solutions and Industrial operations

**New awards** higher by **\$992M**, or **497%**, quarter-over-quarter

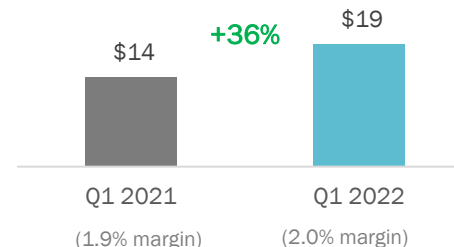
- ▲ Driven by strong demand across Canada in smaller, medium sized, and larger multi-year projects in the nuclear, civil, urban transportation, and industrial sectors

Q1 2022\*

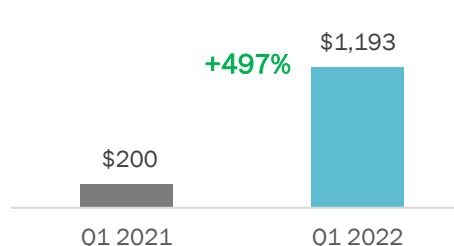
Revenue (\$M)



Adj. EBITDA (\$M)



New Awards (\$M)

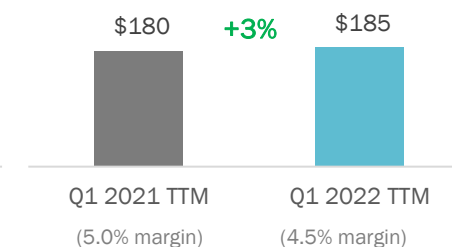


Q1 2022 TTM\*

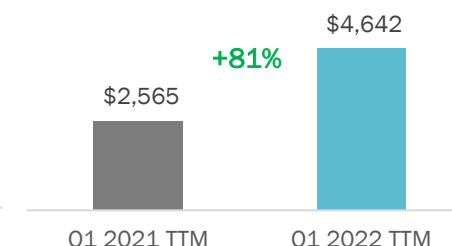
Revenue (\$M)



Adj. EBITDA (\$M)



New Awards (\$M)



\* Totals and variances may not add due to rounding and eliminations

® This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.

# Concessions Q1 2022 Results

**Revenue** higher by **\$3M**, or **17%**, quarter-over-quarter

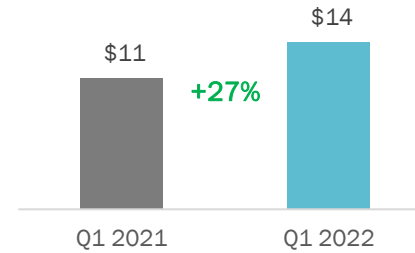
Primarily due to an increase in airport operations (\$3 million) at the Bermuda International Airport. Commercial flight operations in Bermuda continue to operate at a reduced volume due to COVID-19 compared to pre-pandemic levels but have partially recovered from the more severe impacts experienced in 2020 and 2021

**Adjusted EBITDA<sup>®</sup>** higher by **\$4M**, or **40%**, quarter-over-quarter

Primarily related to the Bermuda International Airport operations

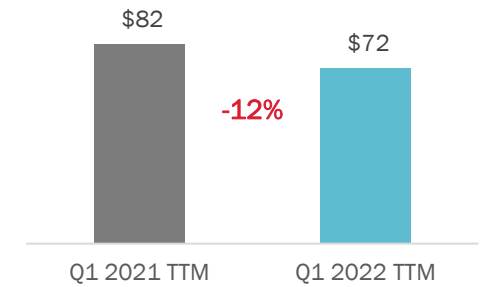
Q1 2022\*

Revenue (\$M)

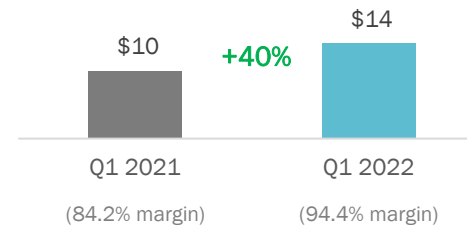


Q1 2022 TTM\*

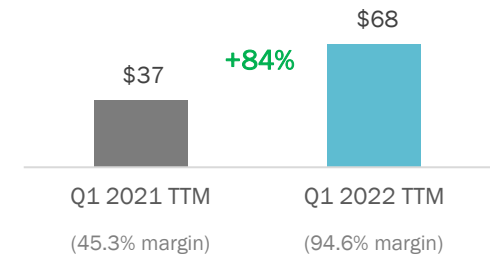
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA (\$M)



\* Totals and variances may not add due to rounding and eliminations

® This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.

# Non-GAAP Measures Quantitative Reconciliation

| Net Working Capital Reconciliation (\$M) |                |
|--|----------------|
|  | March 31, 2022 |
| Trade and Other Receivables              | 815.7          |
| Unbilled Revenue                         | 652.4          |
| Inventories                              | 29.7           |
| Prepaid Expenses                         | 74.0           |
| <b>Less</b>                              |                |
| Trade and Other Payables                 | 914.5          |
| Provisions                               | 21.8           |
| Deferred Revenue                         | 358.1          |
| <b>Net Working Capital</b>               | <b>277.4</b>   |

| Equity Project EBITDA Reconciliation (\$M)                                      |             |             |
|---|-------------|-------------|
|   | Q1 2022     | Q1 2021     |
|   | <u>TTM</u>  | <u>TTM</u>  |
| Operating profit of projects accounted for using the equity method              | 55.1        | 47.5        |
| Depreciation and amortization of projects accounted for using the equity method | 0.8         | 0.8         |
| <b>Equity Project EBITDA</b>  | <b>55.9</b> | <b>48.3</b> |

| Free Cash Flow Reconciliation (\$M) <sup>*</sup>                  |                |              |
|---|----------------|--------------|
|   | Q1 2022        | Q1 2021      |
|   | <u>TTM</u>     | <u>TTM</u>   |
| <b>Profit Before Income Taxes</b>                                 | <b>73.3</b>    | <b>118.1</b> |
| Finance cost  | 46.6           | 31.8         |
| Finance income  | (0.6)          | (0.6)        |
| <b>Operating Profit</b>   | <b>119.4</b>   | <b>149.4</b> |
| Depreciation and amortization                                     | 88.4           | 91.7         |
| (Gain) Loss on sale of assets                                     | (9.6)          | (9.4)        |
| Income from projects accounted for using the equity method        | (15.5)         | (13.9)       |
| Equity Project EBITDA <sup>®</sup>                                | 55.9           | 48.3         |
| <b>Adjusted EBITDA<sup>®</sup></b>                                | <b>238.6</b>   | <b>266.1</b> |
| Cash interest paid  | (41.1)         | (43.2)       |
| Cash interest received  | 0.5            | 0.8          |
| Purchase of property, plant and equipment                         | (25.3)         | (29.0)       |
| Proceeds on sale of property, plant and equipment                 | 11.4           | 6.0          |
| Increase in intangible assets                                     | (2.7)          | (3.3)        |
| Income taxes paid   | (32.9)         | (55.0)       |
| <b>Free Cash Flow before Working Capital and net JV Impact</b>    | <b>148.5</b>   | <b>142.3</b> |
| Change in other balances related to operations                    | (275.3)        | 81.3         |
| Equity Project EBITDA <sup>®</sup>                                | (55.9)         | (48.3)       |
| Distributions from projects accounted for using the equity method | 3.1            | 2.2          |
| <b>FREE CASH FLOW</b>   | <b>(179.5)</b> | <b>177.5</b> |

<sup>®</sup> This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A

<sup>\*</sup> Totals may not add due to rounding



# Capital Markets Overview

## ARE.TSX Statistics

**\$14.46**

Price as of May 16, 2022

**5.1%**

Dividend Yield

**60.8 Million**

Shares Outstanding

**~\$0.9 Billion**

Market Capitalization

**0.6 Million (\$9.4 Million)**

Avg. Daily Share Volume  
(3 months – TSX & ATS)

**\$13.66 / \$22.28**

52 Week Low / High



Annual Dividend History



## Analyst Coverage

| Firm                           | Analyst          | Telephone      |
|--------------------------------|------------------|----------------|
| ATB Capital                    | Chris Murray     | (647) 776-8246 |
| BMO Capital Markets            | Devin Dodge      | (416) 359-6774 |
| Canaccord Genuity              | Yuri Lynk        | (514) 844-3708 |
| CIBC Capital Markets           | Jacob Bout       | (416) 956-6766 |
| Desjardins Securities          | Benoit Poirier   | (514) 281-8653 |
| Industrial Alliance Securities | Naji Baydoun     | (514) 375-2904 |
| Laurentian Bank Securities     | Troy Sun         | (416) 399-7635 |
| National Bank Financial        | Maxim Sytchev    | (416) 869-6517 |
| Paradigm Capital               | Corey Hammill    | (416) 361-0754 |
| Raymond James                  | Frederic Bastien | (604) 659-8232 |
| RBC Dominion Securities        | Sabahat Khan     | (416) 842-7880 |
| Stifel GMP                     | Ian Gillies      | (416) 943-6108 |
| TD Securities                  | Michael Tupholme | (416) 307-9389 |

9 Buy / Outperform Recommendations

4 Hold / Sector Perform Recommendations

\$19.83 Average Target Price



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