First Quarter 2024 Results Presentation

April 25, 2024

AECON GROUP INC. (TSX: ARE)

Forward-Looking Information

The information in this presentation includes certain forward-looking statements which may constitute forward-looking information under applicable securities laws. These forward-looking statements are based on currently available competitive, financial and economic data and operating plans but are subject to known and unknown risks, assumptions 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: Oaktree's minority investment in Aecon Utilities, the expected benefits thereof and results therefrom, including the acceleration of growth of Aecon Utilities in Canada and the U.S.; the anticipated use of proceeds from Oaktree's minority investment in Aecon Utilities; the expansion of Aecon Utilities' geographic reach and range of services in the U.S.; Aecon Utilities' goal of targeting prudent balance sheet leverage and liquidity; expectations regarding significant opportunities arising from the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL) in the U.S.; its strategic focus on clean energy and other projects linked to sustainability and the opportunities arising therefrom; the diversification of Aecon's geographic presence; the impact of Aecon's recurring revenue base; potential value creation options; its focus on maintaining a diversified revenue risk profile; estimated costs and timelines for projects; the various phases of projects for Aecon; Aecon's greenhouse gas emission reduction targets and means to accomplish such targets; government investment; expectations regarding strong private sector end market demand due to, among other things, aging electrical and gas infrastructure and North American 5G adoption rate; long-term cash flow and growth opportunities in concessions including opportunities to add to the existing portfolio of Canadian and international concessions; expectations regarding the continued impact of inflation, interest rates and supply chain efficiency; expectations regarding the pipeline of opportunities available to Aecon and project pursuits; expectations regarding future revenue growth and the impact therefrom; expectations regarding the impact of the four fixed price legacy projects; Aecon's expectations of being able to strengthen its balance sheet while preserving capital for other long-term growth and concession opportunities; and, future dividends. Forward-looking statements may in some cases be identified by words such as "believes", "possible," "maintain," "continues," "completing," "mitigating," "anticipates," "upon," "commences," "plans," "expects", "outlook", "potential", "estimates", "intends", "seeks", "targets", "strategy", "indicative," "may", "will", "should", "would", "can" and "could", or negative or grammatical versions thereof, 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 risk of not being able to drive a higher margin mix of business by participating in more complex projects, achieving operational efficiencies and synergies, and improving profitability and margins; the risk of not being able to adequately diversify its work portfolio; the risk of not being able to meet contractual schedules and other performance requirements on large, fixed priced contracts; the risk of not being able to meet its labour needs at reasonable costs; the risk of not being able to address any supply chain issues which may arise and pass on costs of supply increases to customers; the risk of not being able, through its joint ventures, to enter into implementation phases of certain projects following the successful completion of the relevant development phase; the risk of not being able to execute its strategy of building strong partnerships and alliances; the risk of not being able to execute its risk management strategy; the risk of not being able to grow backlog across the organization by winning major projects; the risk of not being able to maintain a number of open, recurring and repeat contracts; the risk of not being able to accurately assess the risks and opportunities related to its industry's transition to a lower-carbon economy; the risk of not being able to oversee, and where appropriate, respond to known and unknown environmental and climate change-related risks, including the ability to recognize and adequately respond to climate change concerns or public, governmental and other stakeholders' expectations on climate matters; the risk of not being able to meet its commitment to meeting its greenhouse gas emissions reduction targets; the risks associated with the strategy of differentiating its service offerings in key end markets; the risks associated with undertaking initiatives to train employees; the risks associated with the seasonal nature of its business; the risks associated with being able to participate in large projects; the risks associated with legal proceedings to which it is a party; the ability to successfully respond to shareholder activism; the risk that Aecon will not realize the opportunities presented by a transition to a net-zero economy; the risk that Aecon will not realize the strategic rationale for the sale of the equity interest in Skyport; the risk that the strategic partnership with Oaktree will not realize the expected results and may negatively impact the existing business of Aecon Utilities; the risk that Aecon Utilities will not realize opportunities to expand its geographic reach and range of services in the U.S.; and risks associated with future pandemics and Aecon's ability to respond to and implement measures to mitigate the impact of such pandemics and various other risk factors described in Aecon's filings with the securities regulatory authorities in Canada which are available under Aecon's profile on SEDAR+ (www.sedarplus.ca), including the risk factors described in Section 13 - "Risk Factors" in Aecon's Management's Discussion and Analysis for the fiscal quarter ended March 31, 20234 and Aecon's 2023 Management's Discussion and Analysis for the fiscal year ended December 31, 2023.

These forward-looking statements are based on a variety of factors and assumptions including, but not limited to that: none of the risks identified above materialize, there are no unforeseen changes to economic and market conditions and no significant events occur outside the ordinary course of business. These assumptions are based on information currently available to Aecon, including information obtained from third-party sources. While Aecon believes that such third-party sources are reliable sources of information, Aecon has not independently verified the information, Aecon has not ascertained the validity or accuracy of the underlying economic assumptions contained in such information from third-party sources and hereby disclaims any responsibility or liability whatsoever in respect of any information obtained from third-party sources.

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 & Supplementary Financial Measures

The presentation presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios and capital management measures disclosed to assist readers in understanding the Company's performance ("GAAP" refers to Canadian Generally Accepted Accounting Principles under IFRS). 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 and capital management measures 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 do not have a standardized meaning under GAAP: "Adjusted EBITDA", "Equity Project EBITDA", "Backlog" and "Adjusted EBITDA margin." "Operating margin" and "Gross profit margin" are a supplementary financial measures.

Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" and Section 9 "Quarterly Financial Data" in the Company's Management's Discussion and Analysis for the fiscal quarter ended March 31, 2024 (the "Q1 2024 MD&A"), available under Aecon's profile on SEDAR+ (www.sedarplus.ca), for additional information regarding the non-GAAP and supplementary financial measures and non-GAAP ratios used in this presentation. Also refer to pages 8 and 17 in this presentation for additional information regarding non-GAAP ratios and capital management measures. The additional information regarding the non-GAAP and supplementary financial measures and non-GAAP ratios used in this presentation information in the above noted sections is incorporated by reference into this presentation.

Jerome Julier

Executive Vice President & Chief Financial Officer

Q1 2024 Financial Results

$ Millions (except per share amounts)	Three Months Ended March 31			Twelve Months Ended March 31		
	2024	2023	Change[1]	2024	2023	Change[1]
Revenue	847	1,107	▼ 24%	4,383	4,818	▼ 9%
Gross Profit	62.8	66.8	▼ 6%	251.6	361.7	▼ 30%
Gross Profit Margin %[4]	*7.4%*	*6.0%*	▲ *140 bps*	*5.7%*	*7.5%*	▼ *180 bps*
Adjusted EBITDA[2]	32.9	24.6	▲ 34%	151.7	223.2	▼ 32%
Adjusted EBITDA Margin %[3]	*3.9%*	*2.2%*	▲ *170 bps*	*3.5%*	*4.6%*	▼ *110 bps*
Operating Profit (Loss)	(4.2)	5.6	▼ 175%	231.1	112.4	▲ 106%
Profit (Loss)	(6.1)	(9.4)	▲ 35%	165.2	38.4	▲ 330%
Earnings (Loss) per share – diluted	(0.10)	(0.15)	▲ 33%	2.20	0.59	▲ 273%
New Awards	963	812	▲ 19%	4,656	4,396	▲ 6%
Backlog (at end of period)[2]	6,273	6,002	▲ 5%	6,273	6,002	▲ 5%

1 bps = basis point
2 This is a non-GAAP financial measure. Refer to page 2 in this presentation.
3 This is a non-GAAP financial ratio. Refer to page 2 in this presentation.
4 This is a supplementary financial measure. Refer to page 2 in this presentation.

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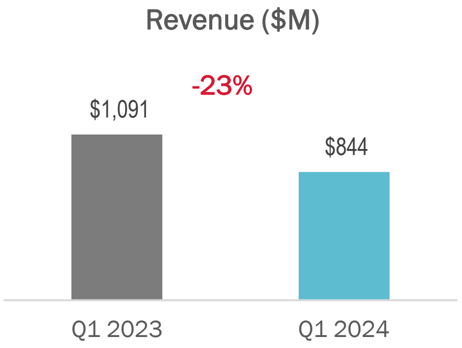
Construction Q1 2024 Results

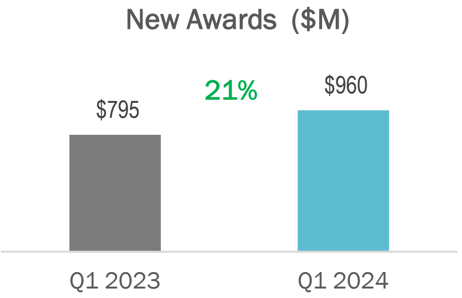
Revenue down by **$247M**, or **23%**, quarter-over-quarter

- ▼ $181M in industrial operations primarily due to decreased activity on mainline pipeline work in western Canada following the achievement of substantial completion on a project in the third quarter of 2023
- ▼ $41M in urban transportation solutions from a lower volume of light rail transit work in Ontario
- ▼ $36M in civil operations primarily from a lower volume of roadbuilding construction work in eastern Canada of $31 million as a result of the sale of ATE in second quarter of 2023
- ▼ $13M in utilities operations from a decreased volume of telecommunications and oil and gas distribution work, partially offset by an increased volume of high-voltage electrical transmission and battery energy storage system work
- ▲ $24M in nuclear operations driven by an increased volume of refurbishment work at nuclear generating stations in Ontario and the U.S.

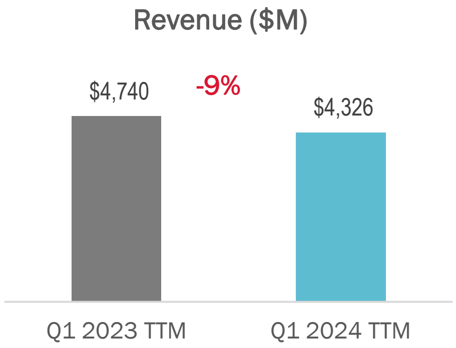
New awards higher by **$165M**, or **21%,** quarter-over-quarter

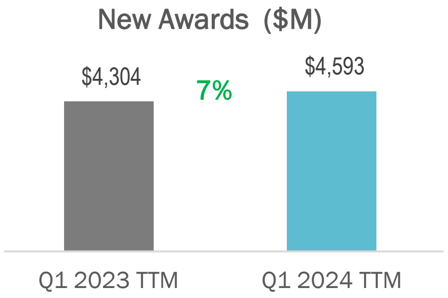
Q1 2024[1]





Q1 2024 TTM[1]





1 Totals and variances may not add due to rounding and eliminations.

Construction Q1 2024 Results (continued)

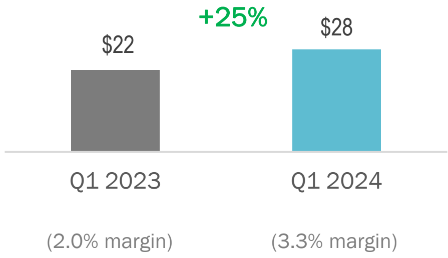
Adjusted EBITDA[2] up by **$6M**, or **25%**, quarter-over-quarter and

Operating Profit down by **$9M**, or **54%,** quarter-over-quarter

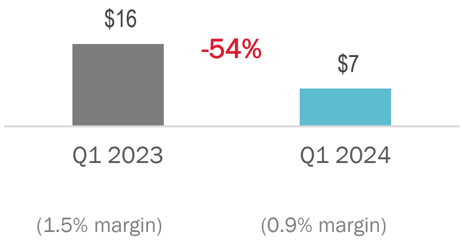
- ▼ Decrease in gross profit in Industrial operations
- ▼ Operating profit impacted by decrease in gains on the sale of property and equipment of $11.2 million in utilities operations that offset higher gross profit margin in utilities.
- ▲ Higher operating profit and adjusted EBITDA in civil operations due to lower seasonal loss from roadbuilding construction work following the sale of ATE in the second quarter of 2023 and negative gross profit of $2.8 million in the first quarter of 2023 versus $nil in the first quarter of 2024 from one of the four fixed price legacy projects
- ▲ Higher volume and gross profit margin in nuclear operations
- ▲ Higher gross profit margin in urban transportation solutions

Q1 2024[1]

Adj. EBITDA ($M)

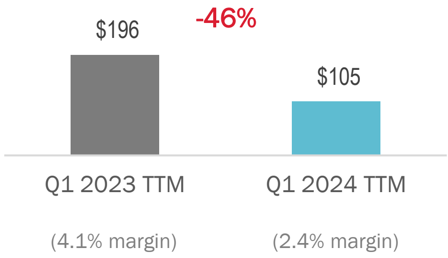


Operating Profit ($M)

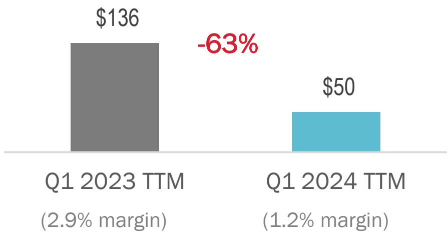


Q1 2024 TTM[1]

Adj. EBITDA ($M)



Operating Profit ($M)



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1 Totals and variances may not add due to rounding.
2 This is a non-GAAP financial measure. Refer to page 2 in this presentation.
3 See Section 5 “Recent Developments”, Section 10.2 “Contingencies”, and Section 13 “Risk Factors” in the Q1 2024 MD&A.

Concessions Q1 2024 Results

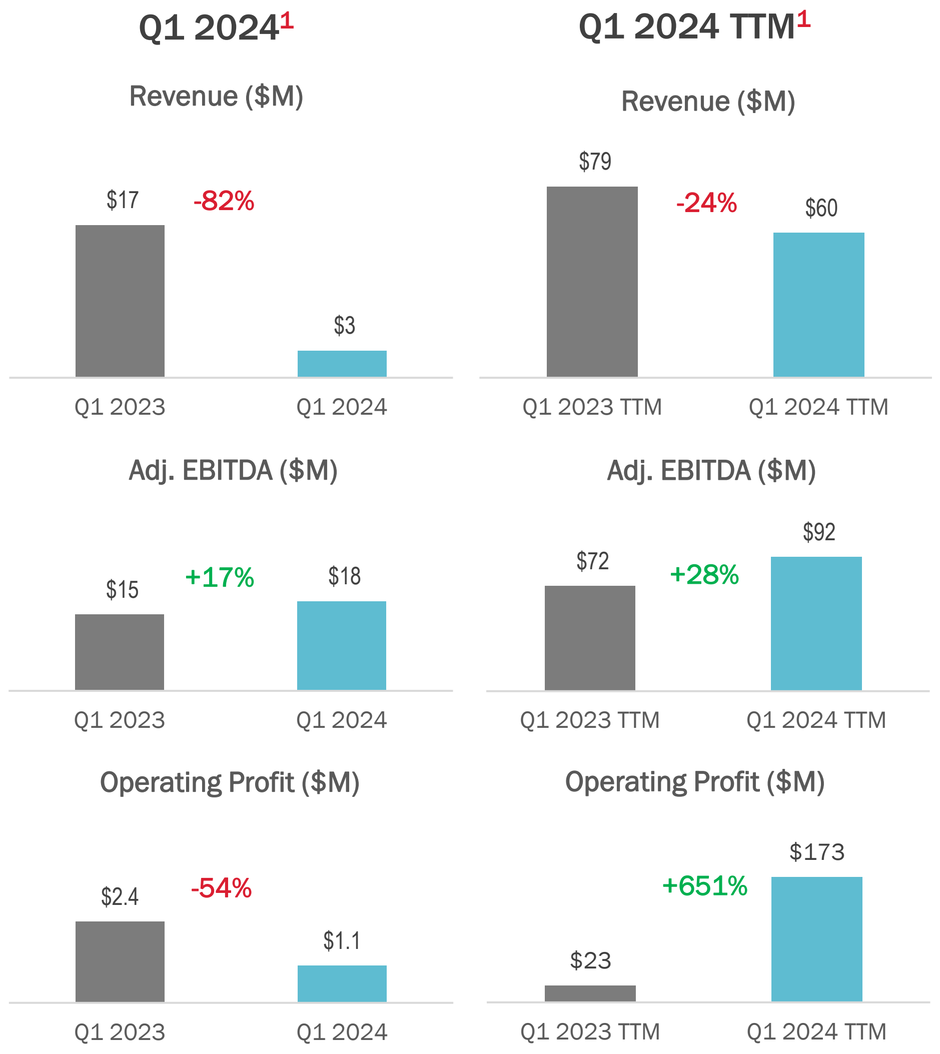
Revenue down by **$14M**, or **82%**, quarter-over-quarter

Primarily due the sale of 49.9% interest in Bermuda airport concessionaire. Subsequent to the closing of the transaction during Q3 2023, Aecon's 50.1% concession participation is accounted for using the equity method.[3]

Adjusted EBITDA[2] up by **$3M**, or **17%**, quarter-over-quarter and

Operating Profit down by **$1M**, or **54%**, quarter-over-quarter

Primarily driven by lower operating profit from the Bermuda International Airport, partially offset by an increase in management and development fees from the balance of the concession operations. Under the equity method of accounting, operating results for Aecon's interest in Skyport in the first quarter of 2024 were reported net of financing costs and income taxes, which contributed to the lower quarter-over-quarter operating profit results.



1 Totals and variances may not add due to rounding and eliminations.
2 This is a non-GAAP financial measure. Refer to Refer to page 2 in this presentation.
3 See Section 5 "Recent Developments" in the Q1 2024 MD&A.

Financial Position, Liquidity and Capital Resources

Balance Sheet ($M)

	March 31, 2024
Core Cash	122.7
Bank Indebtedness	(75.7)
Cash in Joint Operations	310.8
Total Cash	**357.8**
Net Working Capital[3]	334.7
Long-Term Debt[1]	
- Finance Leases	120.2
- Equipment & Other Asset Loans	25.6
LT Debt[1]	145.8
Total LT Debt[1]	**145.8**
LT Debt to 2023 Adjusted EBITDA[1, 2, 8]	1.0 x
Net debt to 2023 Adjusted EBITDA[1, 2, 8]	0.7 x
Debt (excluding Preferred Shares of Aecon Utilities) to capitalization percentage[4]	11%

Free Cash Flow ($M)

	Q1 2024 TTM	Q1 2023 TTM
Operating profit	**231.1**	**112.4**
Depreciation and amortization	74.9	94.2
(Gain) on sale of assets	(211.1)	(22.7)
Income from projects accounted for using the equity method	(17.8)	(17.9)
Equity Project EBITDA[8]	74.6	57.2
Adjusted EBITDA[8]	**151.7**	**223.2**
Cash Interest Expense (net)	(35.5)	(51.1)
Capital Expenditures (net of disposals)	29.8	(18.8)
Income Taxes Paid	(45.0)	(23.3)
Change in Working Capital	3.3	(187.2)
Net JV Impact[5]	(57.7)	(54.0)
Non-cash items in Adjusted EBITDA	44.9	19.5
Free Cash Flow[6, 7]	**91.5**	**(91.7)**
Cash Flow From Operations	**30.9**	**(80.1)**
Cash Flow From Investing Activities	**336.7**	**(23.3)**
Cash Flow From Operations & Investing Activities	**367.5**	**(103.4)**

- No debt or working capital credit facility maturities until 2027, except equipment and property loans and leases in the normal course

1 Excludes Preferred Shares of Aecon Utilities
2 Net debt calculated as long-term debt plus bank indebtedness less core cash. Long-term and net debt-to-Adjusted EBITDA ratios are measurements that Management believes is commonly used by the investment community to assess the Company's debt leverage and liquidity.
3 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 24 in this presentation for the composition of Net Working Capital and a quantitative reconciliation to the most comparable financial measure.
4 Debt to capitalization percentage is considered by the Company to be the most important metric in measuring the strength and flexibility of its consolidated balance sheets. Calculated as debt of $145.8 million divided by capitalization of $1,356.0 million, which is comprised of shareholders' equity of $1,210.2 (including $156.7 million for Preferred Shares of Aecon Utilities) plus debt of $145.8 million, to equal 11%
5 Net JV Impact represents the difference between Equity Project EBITDA included in Adjusted EBITDA (Equity Project EBITDA as defined in Aecon's Q1 2024 MD&A) and distributions from projects accounted for using the equity method.
6 Excludes $317.6 million net proceeds on sale of ATE and minority sale of Bermuda Airport in Q1 2024 TTM and $0.7 million and $2.9 million purchase amount (net of cash acquired) in Q1 2024 TTM and Q1 2023 TTM, respectively, related to strategic business acquisitions.
7 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 24 in this presentation for a quantitative reconciliation to the most comparable financial measure, being Cash Flow From Operations & Investing Activities.
8 This is a non-GAAP financial measure or non-GAAP ratio. Refer to page 2 in this presentation.

Jean-Louis Servranckx

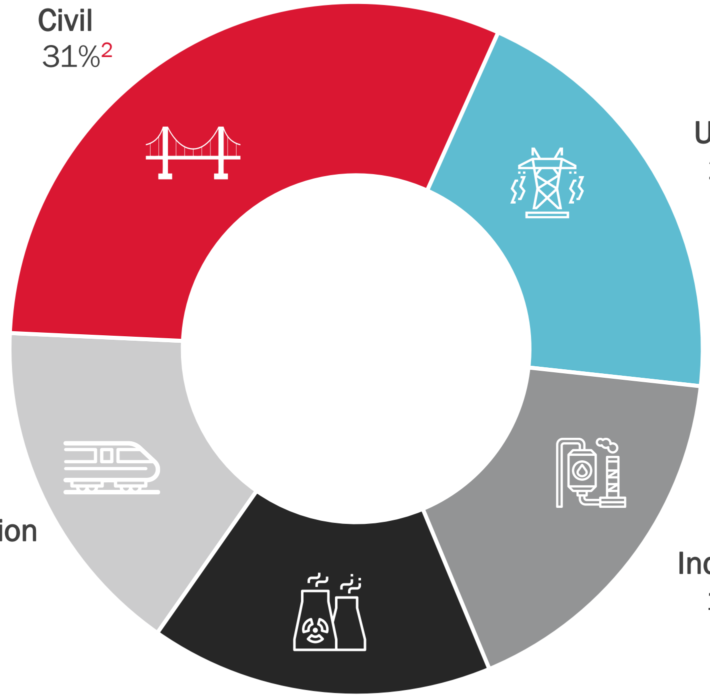
President and Chief Executive Officer

AECON

Diverse Business Model

Construction

Q1 2024 TTM Revenue $4,326 M[1]
Q1 2024 TTM Adj. EBITDA $105 M[1,6]
Q1 2024 TTM Operating Profit $50 M[1]



Concessions

Q1 2024 TTM Revenue $60 M[1]
Q1 2024 TTM Adj. EBITDA $92 M[1,6]
Q1 2024 TTM Operating Profit $173 M[1,7]

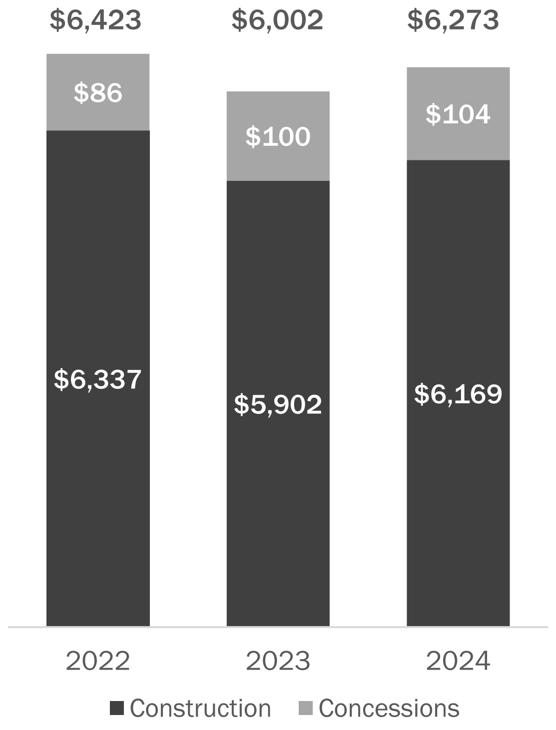
SKYPORT	BERMUDA INTERNATIONAL AIRPORT	50.1%[3,4]
	VIPORTS PARTNERS	50.0%[5]
MOSAIC TRANSIT GROUP	FINCH WEST LRT	33.3%[3]
ONXPRESS TRANSPORTATION PARTNERS	GO RAIL NETWORK ON-CORRIDOR	28.0%[3]
CROSSLINX TRANSIT SOLUTIONS	EGLINTON LRT	25.0%[3]
BRIDGING NORTHAMERICA	GORDIE HOWE INTERNATIONAL BRIDGE	20.0%[3]
GRANDLINQ CONTRACTORS	WATERLOO LRT	10.0%[3]
	ONEIDA ENERGY STORAGE L.P.	8.35%[3]

1 Before corporate costs and eliminations.
2 % of Q1 2024 TTM Construction revenue.
3 % of Aecon equity ownership in Infrastructure Project Companies and Operators.
4 Aecon Concessions retains the management contract for the airport and joint control of Skyport with a 50.1% retained interest.
5 Aecon Concessions is the development lead and will hold a 50% equity interest in the project's 40-year concession, and Aecon is the design-build lead.
6 This is a non-GAAP financial measure. Refer to page 2 in this presentation.
7 Operating profit for Concessions segment includes a gain related to the sale of a 49.9% interest in the Bermuda International Airport concessionaire of $139 million, including a fair value remeasurement gain of $80.4 million on Aecon's 50.1% retained interest in the concessionaire.

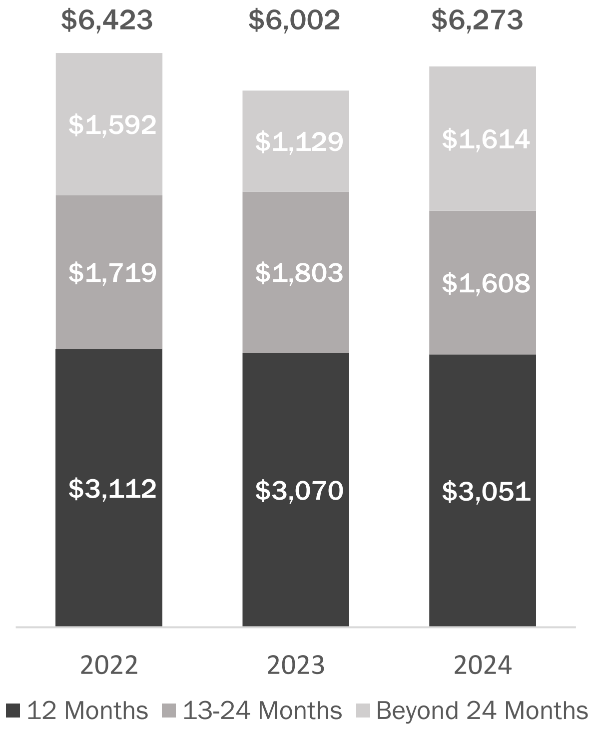
Solid Backlog & Growing Recurring Revenue Profile

Current backlog excludes Aecon's share of the GO Expansion OnCorr, Scarborough Subway Extension SRS, Darlington SMR, Contrecoeur Terminal, U.S Virgin Islands Airports projects[1]

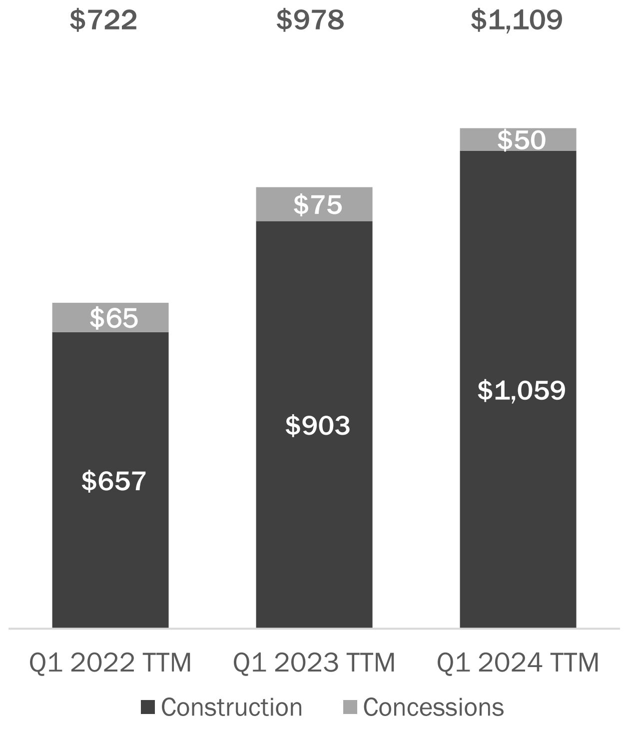
Total Backlog[3] ($M)
At March 31



Backlog Duration ($M)
At March 31



Recurring Revenue ($M)



55% Cost Plus/ Unit Price (48% at March 31, 2023)	45% Fixed Price (52% at March 31, 2023)

Backlog Contract Type At March 31, 2024

58% Cost Plus/Unit Price (54% same period last year)	42% Fixed Price (46% same period last year)

Q1 2024 TTM Revenue[2]

1 These projects were awarded in a collaborative model and are currently in the development and alliance phases. Further detail on these projects is provided on Slide 6.
2 Q1 2024 TTM Revenue contract mix reflects inclusion of recurring revenue (Cost Plus/Unit Price) and timing of backlog work off.
3 This is a non-GAAP financial measure. Refer to page 2 in this presentation.

De-Risking Business Through Collaborative Models

Collaborative projects currently in development phases present significant opportunities for long term growth[1]

GO Rail Expansion On-Corridor (OnCorr) Works Project

Est. Total Capital Cost: >$10B[2,4]

Progressive Design, Build, Operate & Maintain Model

ONxpress Transportation Partners (ONxpress) selected to design, build, operate and maintain the GO Expansion OnCorr Works project in Ontario.

Progressive and collaborative design, build, operate and maintain model.

ONxpress consortium comprised of Aecon, FCC, Deutsche Bahn and Alstom.

Aecon 50% share in a civil JV with FCC, and 28% share in a 25-year O&M partnership with Deutsche Bahn (including development phase).

Early works and a two-year collaborative development phase commenced in Q3 2022, with 23-year O&M partnership anticipated to commence on Jan 1, 2025.

Scarborough Subway Extension Stations, Rail and System (SRS)

Est. Design & Construction Cost: $2B - $4B[3,4]

Progressive Design-Build Model

Scarborough Transit Connect (STC), a 50/50 consortium between Aecon (lead partner) and FCC, selected as the development partner for the Scarborough Subway Extension SRS project in Ontario.

Progressive and collaborative design-build model.

An 18-month collaborative development phase commenced in Q4 2022 to finalize the scope, cost and schedule of various elements of the project, with certain early works activities commencing during this phase.

Upon successful completion of the development phase, an implementation phase will commence under a target price contract.

Darlington New Nuclear Project (DNNP) Small Modular Reactor

Total Capital Cost Under Development

Integrated Project Delivery Model

Aecon, GE Hitachi and SNC-Lavalin executed a six-year alliance agreement with Ontario Power Generation (OPG) to deliver North America's first grid-scale SMR through the DNNP in Ontario.

Under an Integrated Project Delivery (IPD) model, OPG serves as the license holder and will maintain overall responsibility for the project, including operator training, commissioning, Indigenous engagement, stakeholder outreach and oversight.

Aecon is the provider of all construction services, including project management, construction planning and execution. Site preparation and related work is currently underway and SMR construction is expected to reach completion in the fourth quarter of 2028.

Contrecoeur Terminal Expansion Project

Total Capital Cost Under Development

Progressive Design-Build Model

Contrecoeur Terminal Constructors General Partnership, comprised of Aecon (40%) and Pomerleau (60%), executed a contract for the design of the in-water works for the Contrecoeur Terminal Expansion project in Quebec.

Progressive and collaborative design-build model.

A 12-month collaborative development phase to finalize the design, estimated schedule and cost of this phase of the project has commenced in Q1 2024.

Upon successful completion of the development phase, an implementation phase will commence under a target price contract.

Cyril E. King and Henry E. Rohlsen Airports in U.S. Virgin Islands

Total Capital Cost Under Development

Collaborative Design, Build, Finance, Operate & Maintain Model

VIports Partners (VIports) an Aecon-led consortium, was selected to redevelop the Cyril E. King Airport in St. Thomas and the Henry E. Rohlsen Airport in St. Croix.

Collaborative Design, Build, Finance, Operate and Maintain P3 model.

VIports is comprised of Aecon, Tikehau Star Infra, Consigli Benton Joint Venture (J. Benton Construction) and Avports.

Aecon will have 50% share in the design-build JV with J. Benton and 50% equity interest in the 40-year concession with Tikehau Star Infra.

Under a transition phase agreement, VIports and the U.S. Virgin Islands Port Authority will negotiate and finalize the project scope over a nine-month period. Upon completion of the transition phase, financial close is expected in Q1 2025.

1 Projects would be added to backlog following completion of successful development phases over one to two years.
2 Based on Infrastructure Ontario Market Update Report (January 2022); represents "Estimated Total Capital Costs" for the project, not Aecon's share in the project.
3 Based on Infrastructure Ontario Market Update Report (November 2022); represents "Estimated Design & Construction Cost" for the project, not Aecon's share in the project.
4 Estimated figures are not Aecon's shares in the projects as the work is performed in partnerships or joint ventures with other companies; Aecon's scope of work and relative value subject to change during the development phases.

WORKING TOWARD NET ZERO CONSTRUCTION

Aecon is working toward net zero by implementing initiatives across our operations. This is a summary of key initiatives we're using to reduce emissions and work toward net zero construction.

2020[1]–2022

NOTABLE SUSTAINABILITY INITIATIVES


EV charger installation


GeoExchange installation


Low-carbon concrete pilot


Zero-emission wheel loader pilot


Solar-powered site equipment


Lower-emission vehicles


Battery-powered tools and equipment


Solar tracker

10% emission reduction from 2020 to 2022[2]

2023

RECENT SUSTAINABILITY INITIATIVES


Biodiesel and renewable diesel on site[3]


Purchase of electric excavator


Electric telehandler rental


Hybrid generator rental[4]

20% emission reduction to date[2]

2030

FUTURE CONSIDERATIONS


Alternative power for construction sites


Continue to explore low-carbon construction materials


Increase trials and use of low-carbon and zero-emission equipment

TARGET:

30% emission reduction[2]

2050

TARGET:

NET ZERO

scopes 1, 2 & 3 by 2050[5]

1 Baseline year
2 Scopes 1 and 2, intensity-based
3 Photo courtesy of 4Refuel
4 Photo courtesy of United Rentals
5 Absolute

Outlook

- Aecon's goal is to build a resilient company through a balanced and diversified work portfolio across sectors, markets, geographies, project types, sizes and delivery models while enhancing critical execution capabilities and project selection to play to its strengths.
- Aecon will continue to leverage its self-perform capabilities and One Aecon approach with a goal to maximize value for clients through improved cost certainty and schedule, while offering a broad range of infrastructure services from development, engineering, investment, and construction to longer term operations and maintenance. Aecon will continue to pursue and deliver the majority of its work in established markets, while embracing new opportunities to grow in areas linked to decarbonization and the energy transition, and in U.S. and international markets. These opportunities are intended over the long term to diversify Aecon's geographic presence, provide further growth opportunities and deliver more consistent earnings through economic cycles. To complement its priority markets, Aecon is pursuing a balanced portfolio of work delivered through both fixed and non-fixed price contracting models with the goal of reducing fixed price work to balance risk with acceptable returns. With backlog of $6.3 billion at the end of the first quarter of 2024, recurring revenue programs continuing to see robust demand, and a strong bid pipeline, Aecon believes it is positioned to achieve further revenue growth over the next few years and is focused on achieving improved profitability and margin predictability.
- In the Construction segment, demand for Aecon's services across Canada continues to be strong. Development phase work is ongoing in consortiums in which Aecon is a participant to deliver the long-term GO Expansion On-Corridor Works project, the Scarborough Subway Extension Stations, Rail and Systems project, and the Darlington New Nuclear Project, all in Ontario, and the Contrecoeur Terminal Expansion project in-water works in Quebec. These projects are being delivered using progressive design-build or alliance models and each project is expected to move into the construction phase in 2025. The GO Expansion On-Corridor Works project also includes an operations and maintenance component over a 23-year term commencing January 1, 2025. None of the anticipated work from these four significant long-term progressive design-build projects is yet reflected in backlog. As well, a consortium in which Aecon is a participant was selected in 2024 by the Province of British Columbia as the preferred proponent to design and build the Surrey Langley SkyTrain Stations project in British Columbia.
- In the Concessions segment, 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 projects with private sector clients that support a collective focus on sustainability and the transition to a net-zero economy as well as private sector development expertise and investment to support aging infrastructure, mobility, connectivity and population growth. The GO Expansion On-Corridor Works project noted above and the Oneida Energy Storage project, a consortium in which Aecon Concessions is an equity partner that will deliver a 250 megawatt / 1,000 megawatt-hour energy storage facility near Nanticoke Ontario, are examples of the role Aecon's Concessions segment is playing in developing, operating, and maintaining assets related to this transition. In addition, in the first quarter of 2024, an Aecon-led consortium was selected by the U.S. Virgin Islands Port Authority to redevelop the Cyril E. King Airport in St. Thomas and the Henry E. Rohlsen Airport in St. Croix under a collaborative Design, Build, Finance, Operate and Maintain Public-Private Partnership model.
- Global and Canadian economic conditions impacting inflation, interest rates, and overall supply chain efficiency have stabilized, and these factors have largely been and will continue to be reflected in the pricing and commercial terms of the Company's recent and prospective project awards and bids. However, certain ongoing joint venture projects that were bid some years ago have experienced impacts related, in part, to those factors, that will require satisfactory resolution of claims with the respective clients. Results have been negatively impacted by these four legacy projects in recent periods, undermining positive revenue and profitability trends in the balance of Aecon's business. Until these projects are complete and related claims have been resolved, there is a risk that this could also occur in future periods – see Section 5 "Recent Developments" and Section 10.2 "Contingencies" in the Q1 2024 MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A regarding the risk on four large fixed price legacy projects entered into in 2018 or earlier by joint ventures in which Aecon is a participant.
- Revenue in 2024 will be impacted by the three strategic transactions completed in 2023, the substantial completion of several large projects in 2023, and the five major projects currently in the development phase by consortiums in which Aecon is a participant being delivered using the progressive design-build models which are expected to move into the construction phase in 2025. The completion and satisfactory resolution of claims on the four legacy projects with the respective clients remains a critical focus for the Company and its partners, while the remainder of the business continues to perform as expected, supported by the strong level of backlog, and the strong demand environment for Aecon's services, including recurring revenue programs.

APPENDIX

Q1 2024 Financial Results Excluding Legacy Projects, Property Sales and Business Dispositions

$ Millions	Three Months Ended March 31			Twelve Months Ended March 31		
	2024	2023	Change[3]	2024	2023	Change[3]
Revenue	847	1,107	▼ 24%	4,383	4,818	▼ 9%
Legacy Projects	(74)	(279)		(519)	(805)	
ATE Results Pre-Sale	-	(30)		(21)	(328)	
Sale of 49.9% of Bermuda[2]	-	(7)		-	(17)	
50.1% retained interest in Bermuda – Equity-accounted[2]	-	(7)		-	(17)	
Pro Forma Revenue	772	783	▼ 1%	3,844	3,651	▲ 5%
Operating Profit	(4.2)	5.6	▼ 175%	231.1	112.4	▲ 106%
Legacy Projects Loss / (Profit)	-	2.8		212.4	120.0	
Property Dispositions (Gain on Sale)	-	(11.2)		(31.1)	(12.4)	
ATE Results Pre-Sale Loss / (Profit)	-	14.3		1.8	(3.7)	
ATE Disposition Loss / (Gain on Sale)[1]	-	-		(36.5)	-	
Sale of 49.9% of Bermuda[2]	-	(1.5)		-	(3.3)	
50.1% retained interest in Bermuda – Equity-accounted[2]	-	(2.5)		-	(4.8)	
Skyport Minority Sale (Gain on Sale)[2]	-	-		(139.0)	-	
Pro Forma Operating Profit	(4.2)	7.4	▼ 157%	238.8	208.3	▲ 15%
Adjusted EBITDA[4]	32.9	24.6	▲ 34%	151.7	223.2	▼ 32%
Adjusted EBITDA Margin %[5]	3.9%	2.2%	▲ 170 bps	3.5%	4.6%	▼ 110 bps
Legacy Projects Loss / (Profit)	-	2.8		212.4	120.0	
ATE Results Pre-Sale Loss / (Profit)	-	10.7		0.7	(20.9)	
Sale of 49.9% of Bermuda[2]	-	(2.7)		-	(7.3)	
Pro Forma Adjusted EBITDA	32.9	35.4	▼ 7%	364.9	315.0	▲ 16%
Pro Forma Adjusted EBITDA Margin %[5]	4.3%	4.5%	▼ 20 bps	9.5%	8.6%	▲ 90 bps

1 100% sale of Aecon Transportation East Business ("ATE") to Green Infrastructure Partners Inc. ("GIP"), which closed in Q2 2023 (May 1, 2023).
2 CC&L Infrastructure acquired a 49.9% interest in the concessionaire, which closed in Q3 2023 (September 20, 2023). Aecon Concessions retains the management contract for the airport and joint control of Skyport with a 50.1% retained interest.
3 bps = basis point
4 This is a non-GAAP financial measure. Refer to page 2 in this presentation.
5 This is a non-GAAP financial ratio. Refer to page 2 in this presentation.

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Non-GAAP Measures Quantitative Reconciliation

Net Working Capital Reconciliation ($M)

	March 31, 2024
Trade and Other Receivables	907.2
Unbilled Revenue	789.8
Inventories	24.7
Prepaid Expenses	89.6
Less	
Trade and Other Payables	922.6
Provisions	27.1
Deferred Revenue	526.9
Net Working Capital	334.7

Equity Project EBITDA Reconciliation ($M)

	Q1 2024 TTM	Q1 2023 TTM
Operating profit of projects accounted for using the equity method	66.9	56.4
Depreciation and amortization of projects accounted for using the equity method	7.7	0.8
Equity Project EBITDA	74.6	57.2

Free Cash Flow Reconciliation ($M)[2]

	Q1 2024 TTM	Q1 2023 TTM
Profit Before Income Taxes	180.8	54.4
Finance cost	59.8	62.2
Finance income	(9.5)	(4.2)
Operating Profit	231.1	112.4
Depreciation and amortization	74.9	94.2
Gain on sale of assets	(211.1)	(22.7)
Income from projects accounted for using the equity method	(17.8)	(17.9)
Equity Project EBITDA[1]	74.6	57.2
Adjusted EBITDA[1]	151.7	223.2
Cash interest paid	(44.9)	(55.3)
Cash interest received	9.4	4.2
Purchase of property, plant and equipment	(25.4)	(32.9)
Proceeds on sale of property, plant and equipment	59.5	23.4
Increase in intangible assets	(4.3)	(9.3)
Income taxes paid	(45.0)	(23.3)
Non-cash items in Adjusted EBITDA	44.9	19.5
Free Cash Flow before Working Capital and net JV Impact	145.9	149.4
Change in other balances related to operations	3.3	(187.2)
Equity Project EBITDA[1]	(74.6)	(57.2)
Distributions from projects accounted for using the equity method	16.9	3.2
Free Cash Flow	91.5	(91.7)

Cash Flow From Operations & Investing Reconciliation ($M)[2]

	Q1 2024 TTM	Q1 2023 TTM
Free Cash Flow	91.5	(91.7)
Stock-based compensation settlements and receipts	(5.2)	(3.6)
Decrease (increase) in restricted cash balances	(8.1)	(3.8)
Increase in long-term financial assets	(18.7)	(1.0)
Proceeds on sale of a subsidiary, net of cash on hand	317.6	-
Net cash outflow on acquisition of a business	(0.7)	(2.9)
Provision for expected credit losses	0.6	0.8
Difference between cash interest and interest expense excl. notional interest representing accretion & gain on fair value of preferred shares	(8.4)	(1.0)
Other	(1.0)	-
Total Reconciling Items	276.0	(11.6)
Cash Flow from Operations	30.9	(80.1)
Cash Flow from Investing Activities	336.7	(23.3)
Cash Flow from Operations and Investing Activities	367.5	(103.4)

Non-cash items in Adjusted EBITDA

	Q1 2024 TTM	Q1 2023 TTM
Defined Benefit pension	(1.5)	0.5
Concession deferred revenue	(2.0)	(3.9)
Unrealized foreign exchange (gain) loss	(1.2)	0.4
Increase (decrease) in provisions	28.8	1.9
Stock-based compensation expense	20.8	20.6
Non-cash items in Adjusted EBITDA	44.9	19.5

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1 This is a non-GAAP financial measure. Refer to page 2 in this presentation.
2 Totals may not add due to rounding.

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