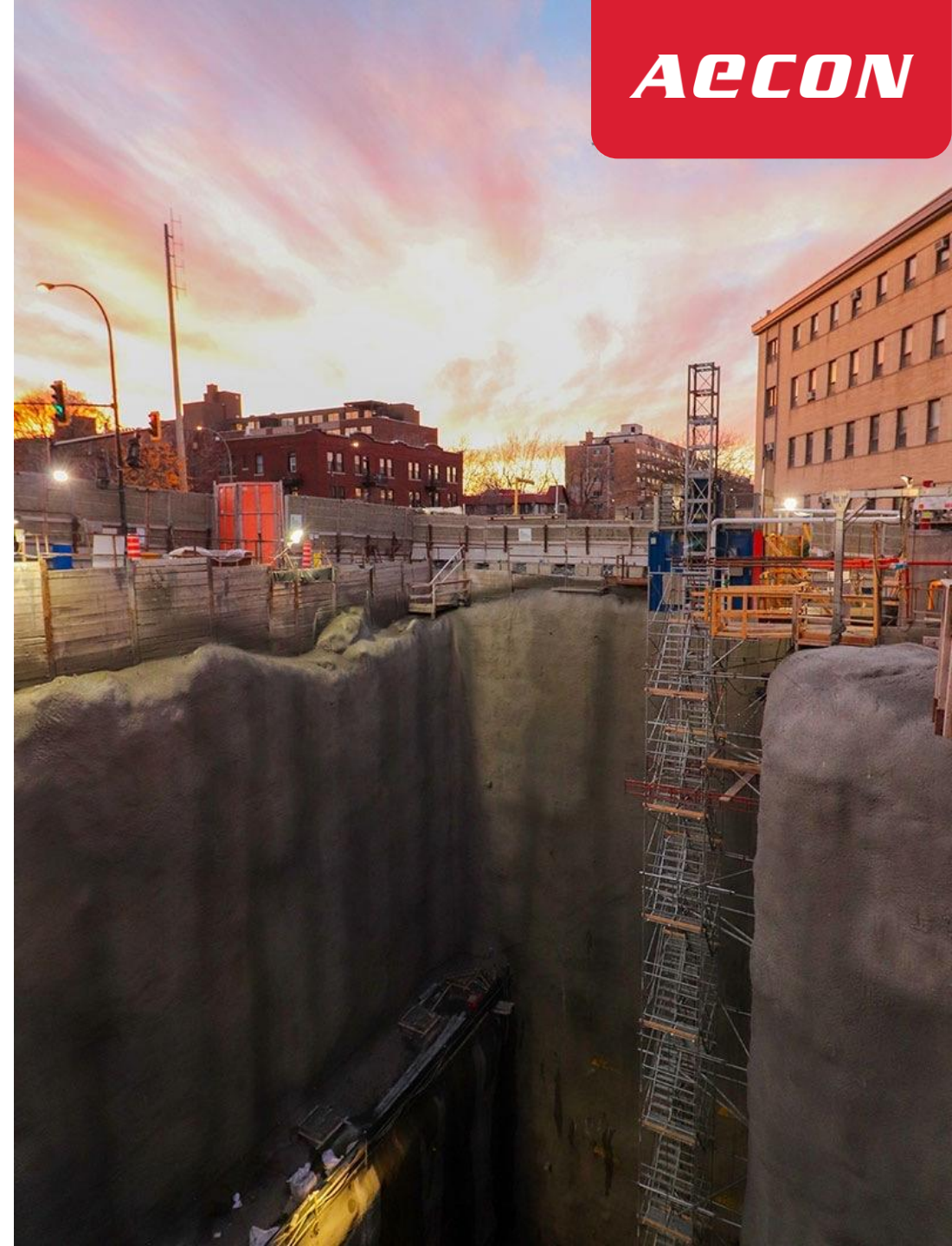


# First Quarter 2022 Results Presentation

**April 28, 2022**

AECON GROUP INC. (TSX: ARE)



# Forward-Looking Information

The information in this presentation includes certain forward-looking statements. Although these forward-looking statements are based on currently available competitive, financial and economic data and operating plans, they are subject to risks and uncertainties. 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 risks associated with an investment in the common shares of Aecon and the risks related to Aecon's business. Such factors include but are 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, including inflation and supply chain issues, 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 in the Annual Information Form filed on March 1, 2022, both of which are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at [www.sedar.com](http://www.sedar.com). Other important factors, in addition to those discussed in this document, could affect the future results of Aecon and could cause its results to differ materially from those expressed in any forward-looking statements.

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. 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. 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 statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

# Non-GAAP and Supplementary Financial Measures

The presentation contains 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.

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”.

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.

# 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 (except per share amounts)	Three Months Ended March 31			Twelve Months Ended 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 13 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.

# 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

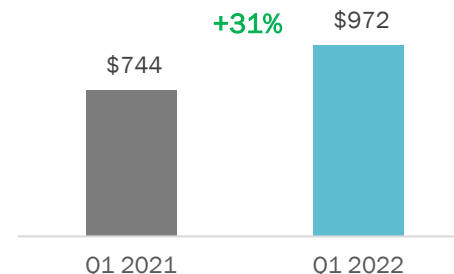
- ▲ Higher volume and gross profit margin in Civil operations and higher volume in Nuclear and Utilities operations
- ▼ Lower gross profit margins in Urban Transportation Solutions and Industrial operations

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

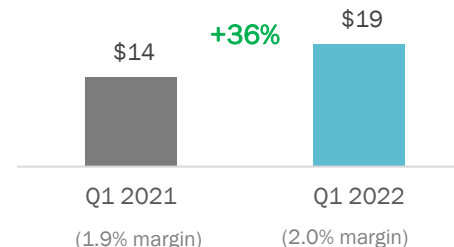
- ▲ Driven by strong demand across Canada in smaller, medium sized, and larger multi-year projects in the nuclear, civil, urban transportation, and industrial sectors

Q1 2022\*

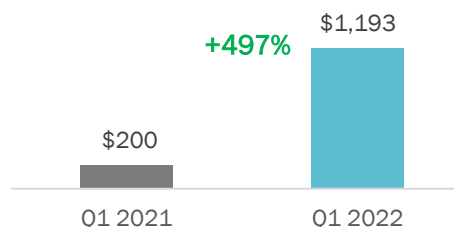
Revenue (\$M)



Adj. EBITDA (\$M)



New Awards (\$M)

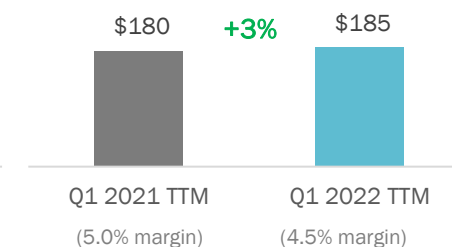


Q1 2022 TTM\*

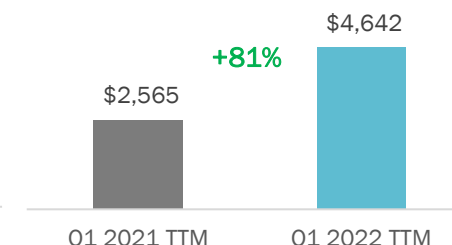
Revenue (\$M)



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

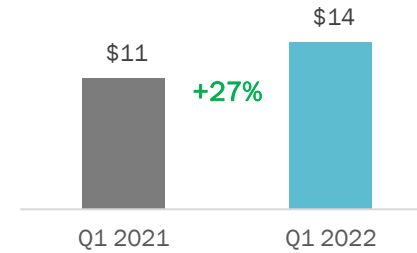
Primarily due to an increase in airport operations (\$3 million) at the Bermuda International Airport. Commercial flight operations in Bermuda continue to operate at a reduced volume due to COVID-19 compared to pre-pandemic levels but have partially recovered from the more severe impacts experienced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

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

Primarily related to the Bermuda International Airport operations

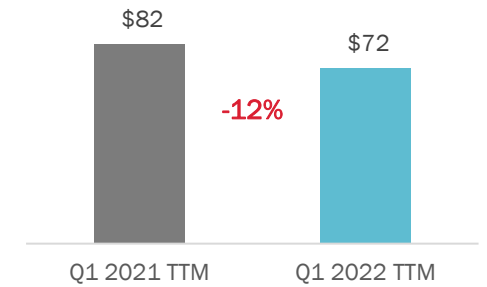
Q1 2022<sup>\*</sup>

Revenue (\$M)

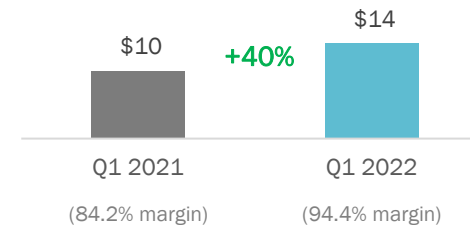


Q1 2022 TTM<sup>\*</sup>

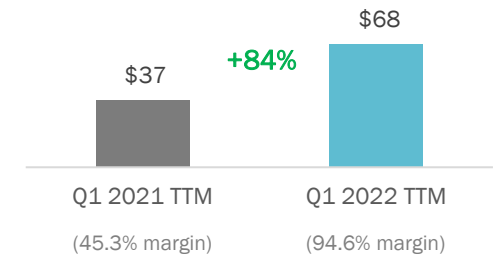
Revenue (\$M)



Adj. EBITDA (\$M)



Adj. EBITDA (\$M)



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

<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.

# 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 TTM	Q1 2021 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 14 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 14 in this presentation for a quantitative reconciliation to the most comparable financial measure.

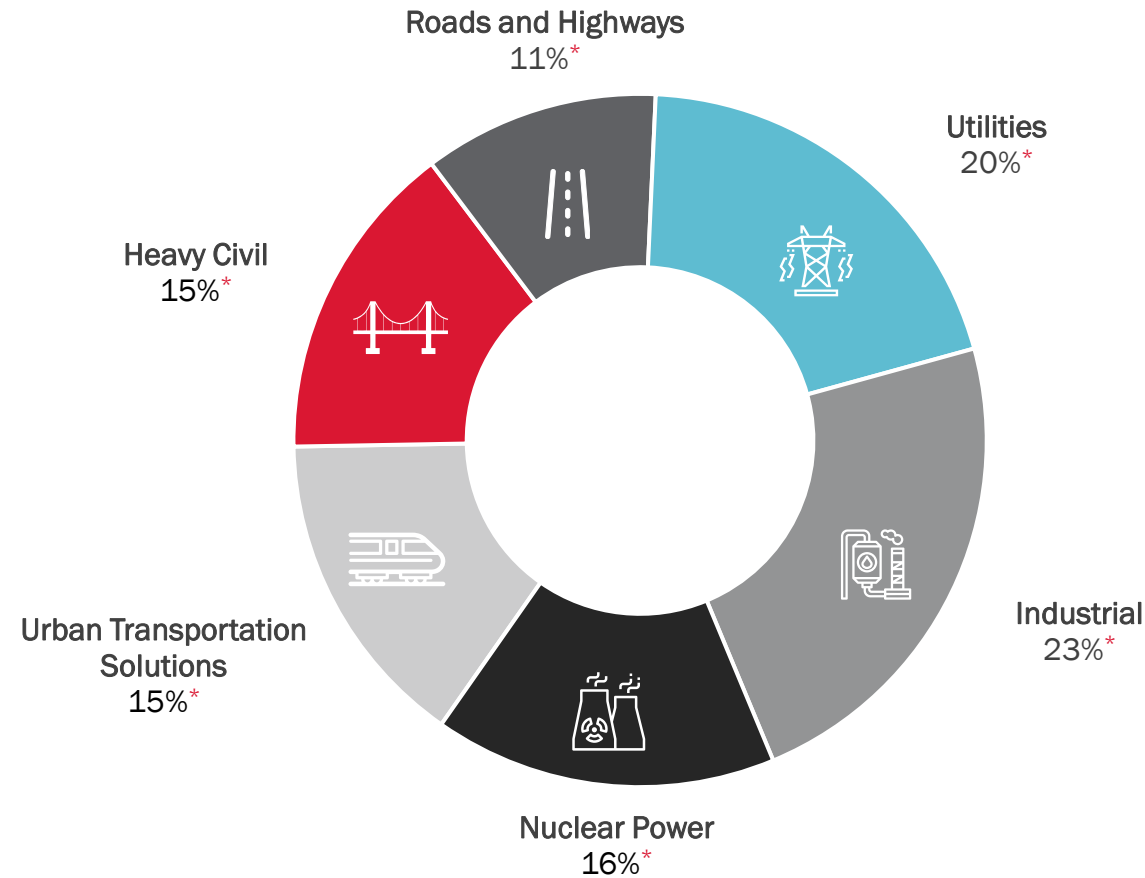
<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP And Supplementary Financial Measures" in the Company's Q1 2022 MD&A.



# Diverse & Resilient Business Model

## Construction

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



## Concessions

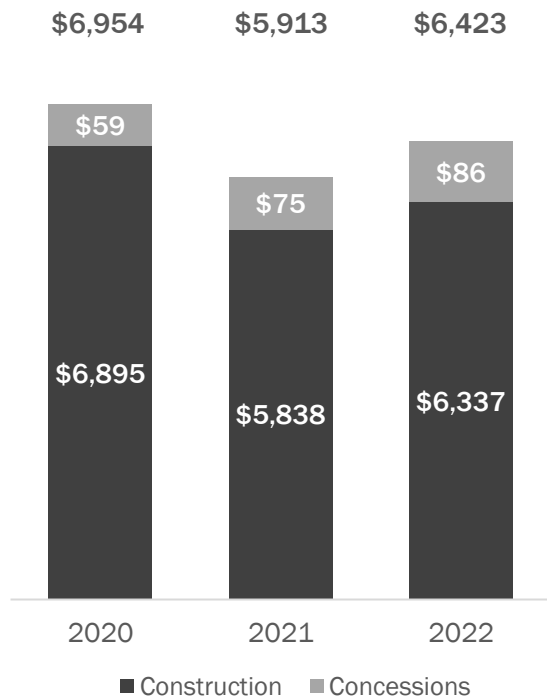
Q1 2022 TTM Revenue \$72 M <sup>+</sup>  
 Q1 2022 TTM EBITDA \$68 M <sup>+</sup>@

	<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>

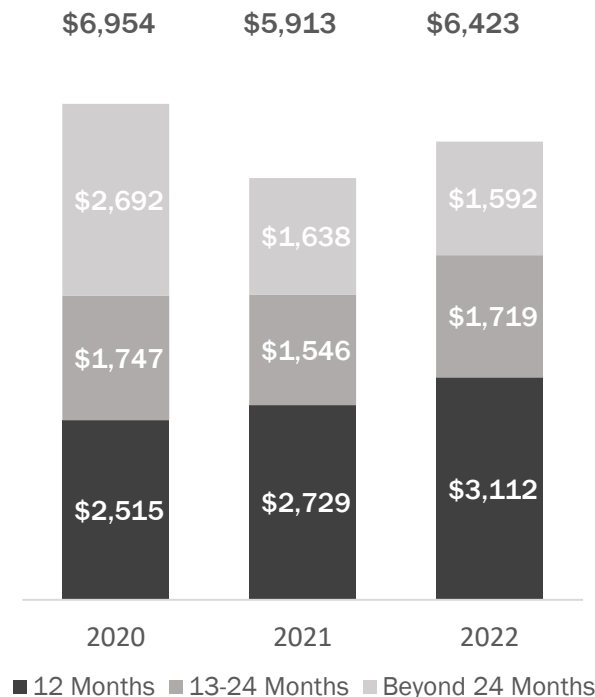
<sup>+</sup> Before corporate costs and eliminations  
<sup>\*</sup> % of Q1 2022 TTM Revenue  
<sup>^</sup> % of Aecon equity ownership in the concessionaire  
<sup>@</sup> This is a non-GAAP financial measure. Refer to Section 4 “Non-GAAP And Supplementary Financial Measures” in the Company’s Q1 2022 MD&A.

# Strong Backlog & Recurring Revenue Profile

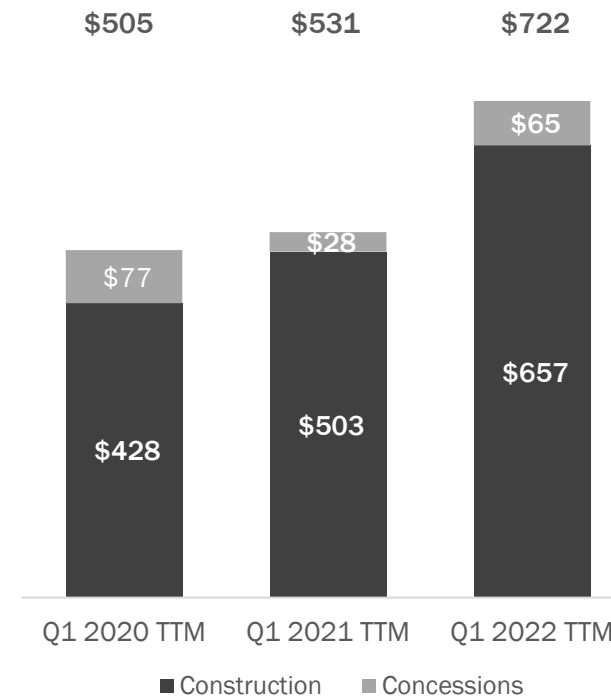
**Total Backlog\*<sup>Ⓜ</sup> (\$M)** As at March 31



**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.



# 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)





# 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 </div><div>11 SUSTAINABLE CITIES AND COMMUNITIES </div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE </div><div>17 PARTNERSHIPS FOR THE GOALS </div></div> <p>First Canadian construction company to incorporate a sustainability-linked credit facility tied to ESG objectives</p>

# 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.





# 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 (except per share amounts)	Three Months Ended March 31			Twelve Months Ended 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.

# 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

**TTM** **TTM**

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

**TTM** **TTM**

<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



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