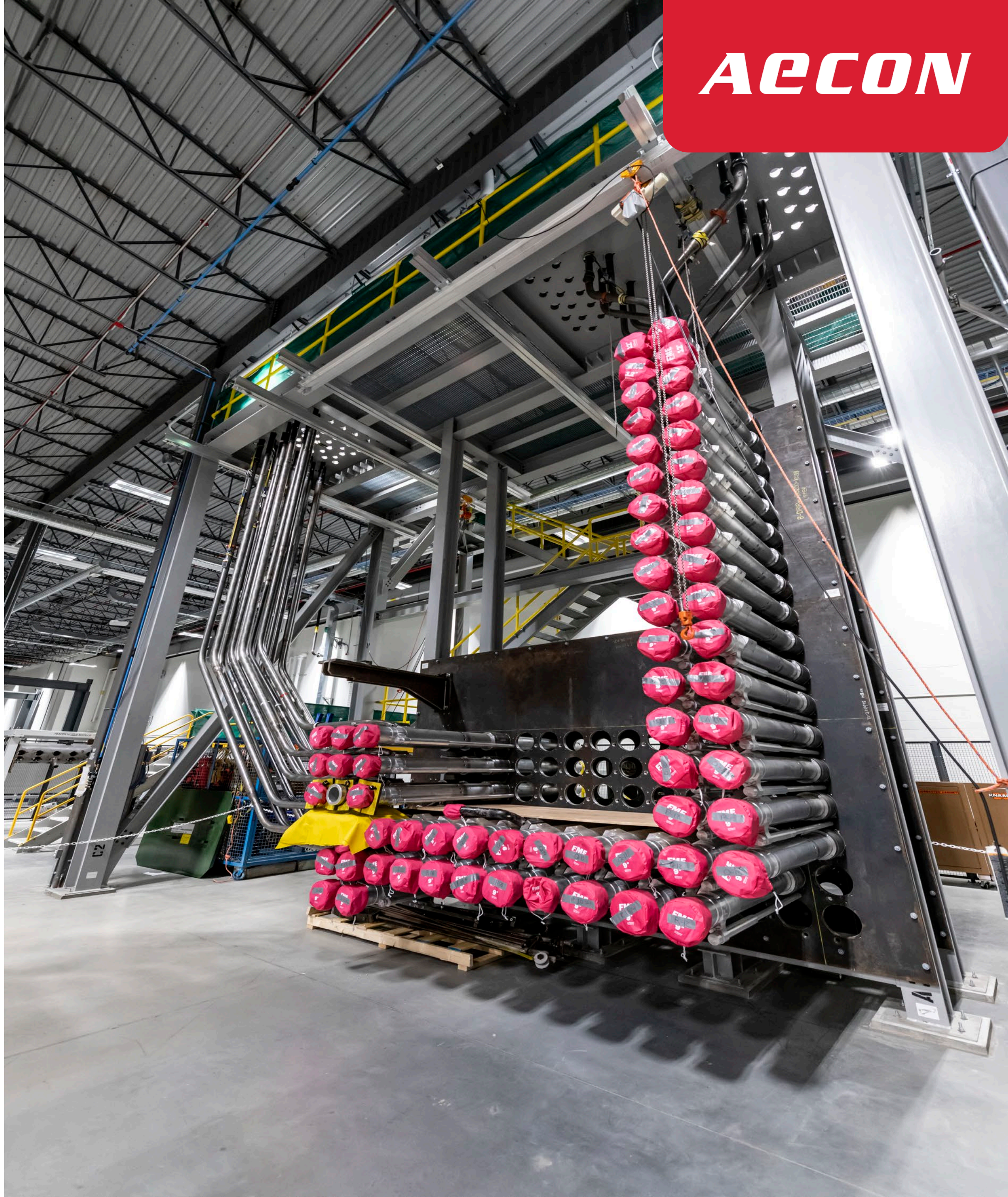
Second Quarter 2023 Results Presentation

July 27, 2023

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 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: its strategic focus on clean energy and other projects linked to sustainability and the opportunities arising therefrom; the impact of Aecon's recurring revenue base; potential value creation options, 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; expectations regarding ongoing recovery in travel through Bermuda International Airport in 2023; long-term cash flow and growth opportunities in concessions including opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months; expectations regarding the repayment of the outstanding convertible debentures at or before maturity and other debt obligations in 2023; 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 sale of a 49.9% interest in Bermuda Skyport Corporation Limited ("Skyport") to Connor, Clark & Lunn Infrastructure ("CC&L Infrastructure"), including strategic rational rationale for such transaction, the expected results therefrom and the anticipated closing thereof; 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 "will," "believes," "target," "expects," "anticipates," "estimates," "towards," "opportunity," "projects," "intends," "schedule," "outlook," "can," "may," "to be," "upon," "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 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 margins; 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 the strategic partnership with Green Infrastructure Partners Inc. ("GIP") will not realize the expected results and may negatively impact Aecon's existing business; the risk that Aecon will not realize the opportunities presented by a transition to a net-zero economy; the risk Aecon's sale of a 49.9% interest in Skyport to CC&L Infrastructure will not close; the risk that Aecon will not realize the strategic rationale for the sale of the equity interest in Skyport; the risk that Aecon will not realize the anticipated balance sheet strength while preserving capital for other long-term growth and concession opportunities in connection with the sale of the equity interest in Skyport; and risks associated with the COVID-19 pandemic and future pandemics and Aecon's ability to respond to and implement measures to mitigate the impact of COVID-19 and future pandemics.

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.

Risk factors are discussed in greater detail in the Section 13 - "Risk Factors" in Aecon's December 31, 2022 Management's Discussion and Analysis filed on SEDAR+ (www.sedarplus.com) on February 28, 2023 and in other filings made by Aecon with the securities regulatory authorities in Canada. 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 June 30, 2023 Management's Discussion and Analysis, filed July 26, 2023 (the "Q2 2023 MD&A") for additional information regarding the non-GAAP and supplementary financial measures and non-GAAP ratios used in this presentation. Also refer to pages 7 and 15 in this presentation for additional information regarding non-GAAP ratios and capital management measures. The Q2 2023 MD&A is available on SEDAR+ (www.sedarplus.com), and 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.

Q2 2023 Financial Results

Q2 2022 TTM results include net benefit from the Canada Emergency Wage Subsidy ("CEWS") program of $11.4 million

$ Millions (except per share amounts)	Three Months Ended June 30			Twelve Months Ended June 30		
	2023	2022	Change+	2023	2022	Change+
Revenue	1,167	1,123	▲ 4%	4,862	4,361	▲ 11%
Gross Profit	45.1	77.5	▼ 42%	329.3	356.3	▼ 8%
Gross Profit Margin %&	*3.9%*	*6.9%*	▼ 300 bps	*6.8%*	*8.2%*	▼ 140 bps
Adjusted EBITDA@	16.7	38.5	▼ 57%	201.4	215.9	▼ 7%
*Adjusted EBITDA Margin %**	*1.4%*	*3.4%*	▼ 200 bps	*4.1%*	*5.0%*	▼ 90 bps
Operating Profit	55.6	5.1	▲ 990%	162.9	89.9	▲ 81%
Profit (Loss)	28.2	(6.4)	▲ 541%	73.0	26.7	▲ 173%
Earnings (Loss) per share – diluted	0.38	(0.10)	▲ 480%	1.01	0.44	▲ 129%
New Awards	2,016	1,305	▲ 54%	5,107	4,442	▲ 15%
Backlog (at end of period)@	6,851	6,605	▲ 4%	6,851	6,605	▲ 4%

+ bps = basis point
@ This is a non-GAAP financial measure. Refer to page 2 in this presentation.
* This is a non-GAAP financial ratio. Refer to page 2 in this presentation.
& This is a supplementary financial measure. Refer to page 2 in this presentation.

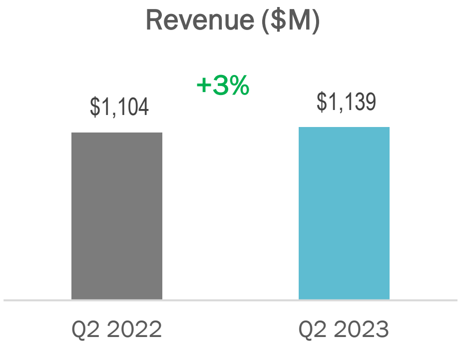
Construction Q2 2023 Results

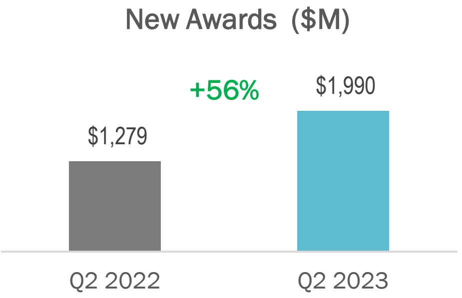
Revenue up by **$35M**, or **3%**, quarter-over-quarter

- ▲ $42M in civil operations driven by an increase in major projects in both eastern and western Canada and roadbuilding construction work in western Canada partially offset by lower volume of roadbuilding construction work in eastern Canada as a result of the sale of ATE in Q2 2023.
- ▲ $23M in industrial operations due to increased activity on mainline pipeline work which offset lower field construction work primarily at chemical facilities.
- ▲ $11M in utilities operations primarily due to an increase in telecommunications and high-voltage electrical transmission work.
- ▼ $31M in nuclear operations from lower volume of refurbishment work at nuclear generating stations located in Ontario.
- ▼ $10M in urban transportation solutions driven primarily by a decrease in light rail transit project work.

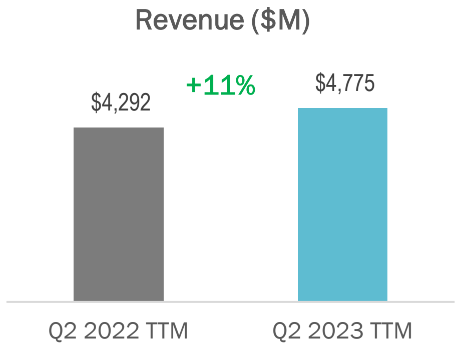
New awards higher by **$711M**, or **56%,** quarter-over-quarter

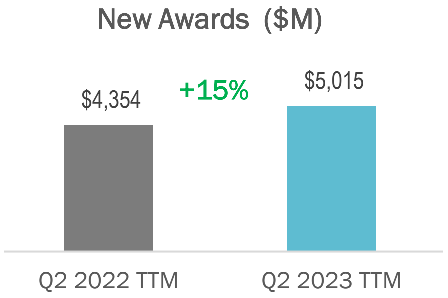
Q2 2023*





Q2 2023 TTM*





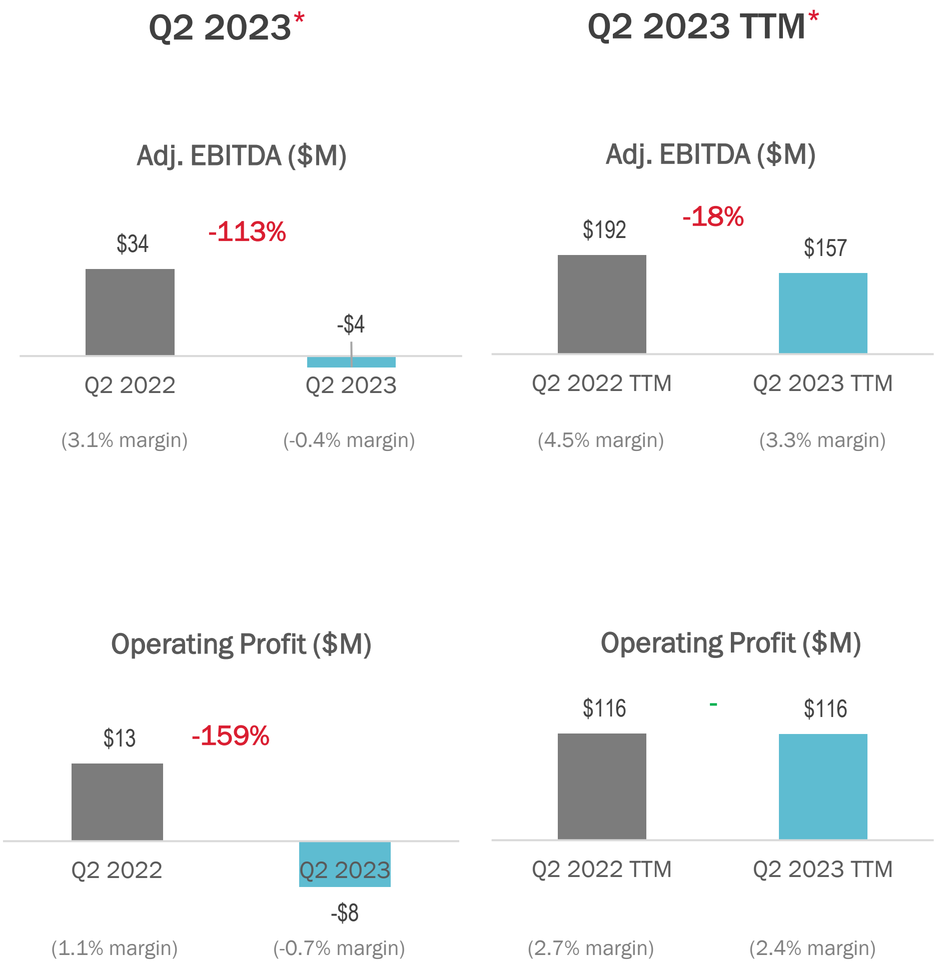
* Totals and variances may not add due to rounding and eliminations.

Construction Q2 2023 Results (continued)

Q2 2022 TTM results include net benefit from the Canada Emergency Wage Subsidy ("CEWS") program of $11.4M

Adjusted EBITDA@ down by **$38M**, or **-113%**, quarter-over-quarter and
Operating Profit down by **$20M**, or **-159%,** quarter-over-quarter

- ▼ Lower gross profit in civil operations due to negative gross profit of $31.3 million in the second quarter of 2023 from one of the four fixed price legacy projects versus a gross profit of $4.3 million in same period in 2022 from the same project.+
- ▼ Negative gross profit of $50.0 million from one of the four fixed price legacy projects in urban transportation solutions compared to negative gross profit of $32.8 million from one of the other fixed legacy projects in urban transportation solutions in the same period last year.+
- ▲ Operating profit impacted by increase in gains on the sale of property and equipment of $13.8 million primarily in industrial operations.



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* Totals and variances may not add due to rounding.
@ This is a non-GAAP financial measure. Refer to page 2 in this presentation.
+ See Section 5 "Recent Developments" and Section 10.2 "Contingencies" in the Q2 2023 MD&A and Section 13 "Risk Factors" in the 2022 Annual MD&A.

Concessions Q2 2023 Results

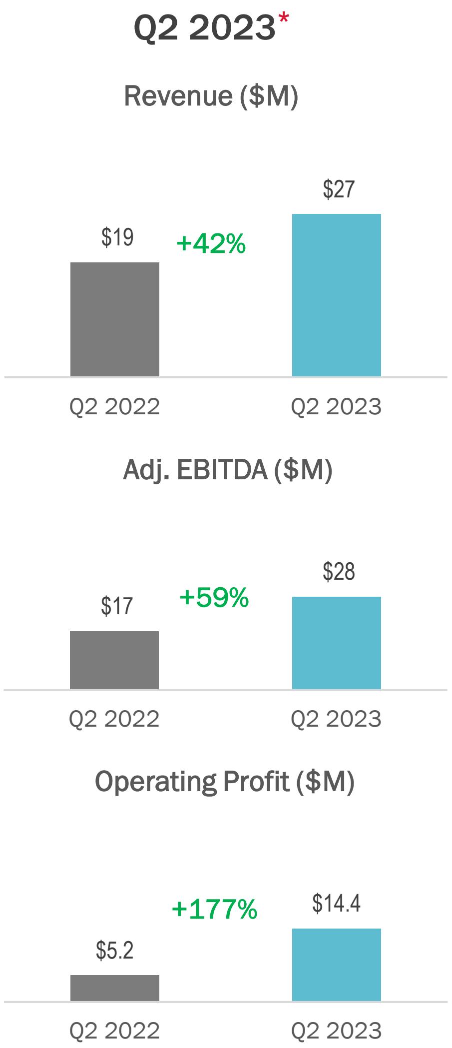
Revenue up by **$8M**, or **42%**, quarter-over-quarter

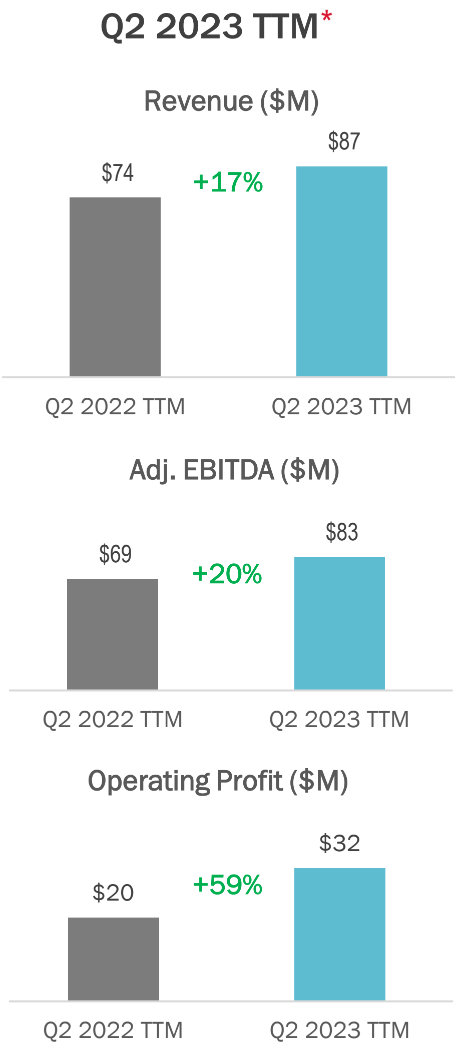
Primarily due to an increase in commercial flight operations at the Bermuda International Airport.

Adjusted EBITDA[@] up by **$10.2M**, or **59%**, quarter-over-quarter and

Operating Profit up by **$9.2M**, or **177%**, quarter-over-quarter

Primarily from an increase in management and development fees as well as an improvement in operating results from the Bermuda International Airport.





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Financial Position, Liquidity and Capital Resources

Balance Sheet ($M)	
	June 30, 2023
Core Cash	13.1
Bank Indebtedness	(188.0)
Cash in Joint Operations	345.6
Total Cash^	**170.7**
Net Working Capital♦	520.9
Long-Term Debt∞	
- Finance Leases	117.9
- Equipment & Other Asset Loans	28.2
LT Debt excluding Convertible Debentures∞	146.1
Convertible Debentures (Face Value) due Dec. 2023 (5.0%)	184.0
Total LT Debt plus Convertible Debentures∞	330.1
LT Debt to Q2 2023 TTM Adjusted EBITDA&∞@+	
- Excluding Convertible Debentures	0.7 x
- Including Convertible Debentures	1.6 x
Net Debt to Q2 2023 TTM Adjusted EBITDA&∞@+	2.5 x
Debt to capitalization percentage$^{\alpha}$	26%

Free Cash Flow ($M)	2023 Q2 TTM	2022 Q2 TTM
Operating profit	**162.9**	**89.9**
Depreciation and amortization	91.8	90.6
(Gain) on sale of assets	(91.9)	(5.1)
Income from projects accounted for using the equity method	(19.0)	(15.4)
Equity Project EBITDA@	57.6	55.9
Adjusted EBITDA@	**201.4**	**215.9**
Cash Interest Expense (net)	(52.7)	(42.2)
Capital Expenditures (net)	33.5	(17.5)
Income Taxes Paid	(35.8)	(33.9)
Change in Working Capital	(275.0)	(199.3)
Net JV Impact*	(55.7)	(53.2)
Free Cash Flow~#	**(184.2)**	**(130.2)**
Cash Flow From Operations	(209.5)	(93.7)
Cash Flow From Investing Activities	178.6	(43.4)
Cash Flow From Operations & Investing Activities	(30.8)	(137.1)

- $600 million committed credit facility for working capital and letter of credit requirements plus a separate committed letter of credit facility of $900 million
- On December 31, 2023, convertible debentures with a face value of $184 million will mature, and Aecon expects to repay these debentures at maturity or before
- No other debt or working capital credit facility maturities in 2023, except equipment and property loans and leases in the normal course

^ Excludes restricted cash associated with Bermuda Airport Project.
∞ Excludes non-recourse project debt associated with Bermuda Airport Project.
\+ Net debt calculated as long-term debt (including convertible debentures) plus bank indebtedness less core cash. Long-term debt-to-Adjusted EBITDA and net debt-to-Adjusted EBITDA ratios are measurements that Management believes are commonly used by the investment community to assess the Company's debt leverage and liquidity.
& Calculations based on face value of convertible debentures.
♦ 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 15 in this presentation for the composition of Net Working Capital and a quantitative reconciliation to the most comparable financial measure.
$^{\alpha}$ 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 $327.5 million (including $181.4 million fair value of convertible debentures) divided by capitalization of $1,276.0 million, which is comprised of shareholders' equity of $948.4 million plus $181.4 convertible debentures and $146.1 million of debt, to equal 26%.

* Net JV Impact represents the difference between Equity Project EBITDA included in Adjusted EBITDA (Equity Project EBITDA as defined in Aecon's Q2 2023 MD&A) and distributions from projects accounted for using the equity method.
~ Excludes $155.3 million net proceeds on sale of ATE in Q2 2023 TTM and $0.1 million and $30.5 million purchase amounts (net of cash acquired) in Q2 2023 TTM and Q2 2022 TTM, respectively, related to strategic business acquisitions since Q4 2021.
\# 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 15 in this presentation for a quantitative reconciliation to the most comparable financial measure, being Cash Flow From Operations & Investing Activities.
@ This is a non-GAAP financial measure or non-GAAP ratio. Refer to page 2 in this presentation.

Jean-Louis Servranckx

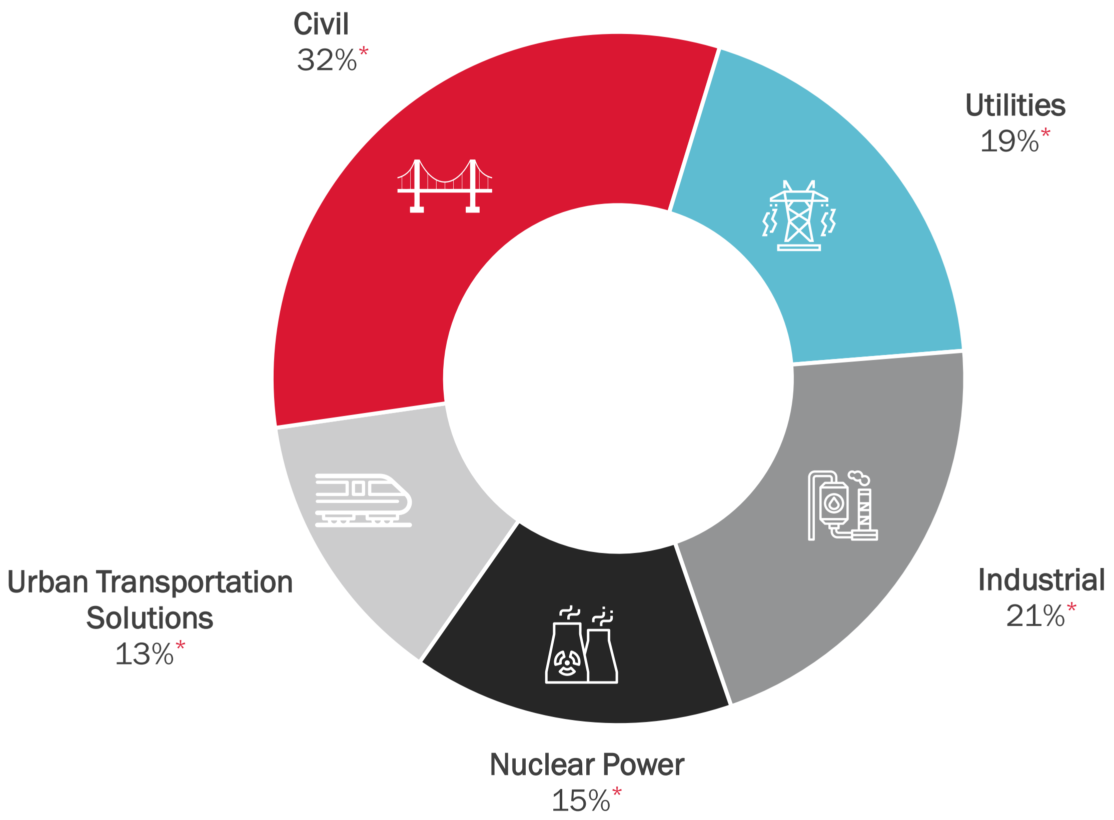
President and Chief Executive Officer

AECON

Diverse Business Model

Construction

Q2 2023 TTM Revenue	$4,775 M[+]
Q2 2023 TTM Adj. EBITDA	$157 M[+@]
Q2 2023 TTM Operating Profit	$116 M[+]



Concessions

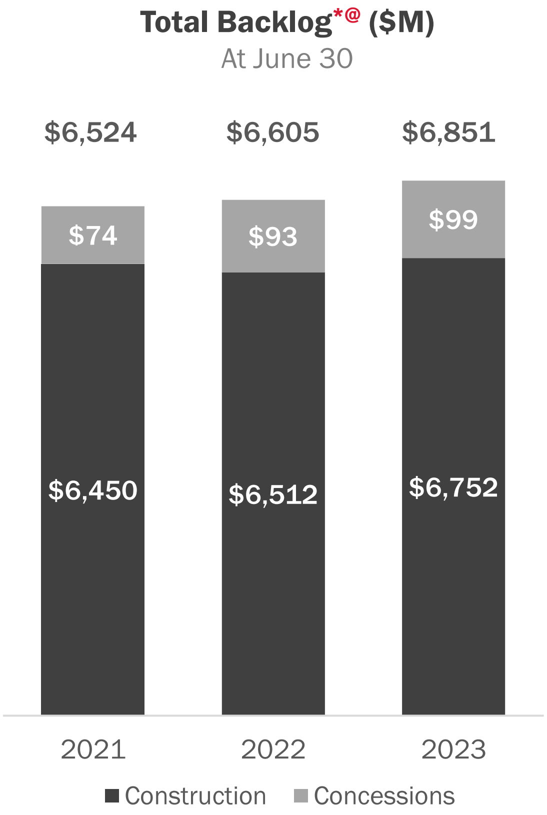
Q2 2023 TTM Revenue	$87M[+]
Q2 2023 TTM Adj. EBITDA	$83 M[+@]
Q2 2023 TTM Operating Profit	$32 M[+]

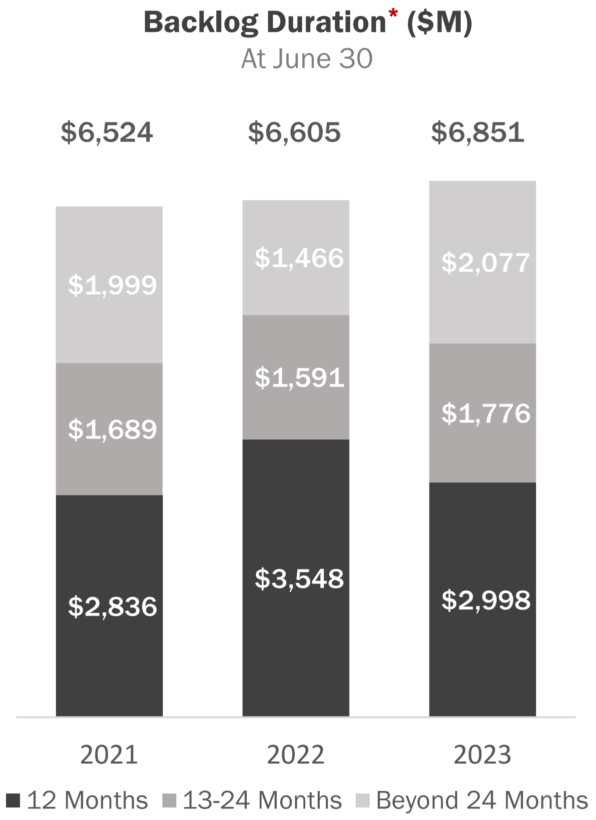
Partner	Project	Ownership
SKYPORT	BERMUDA INTERNATIONAL AIRPORT	100%[^∞]
MOSAIC TRANSIT GROUP	FINCH WEST LRT	33%[^]
ONXPRESS TRANSPORTATION PARTNERS	GO RAIL NETWORK ON-CORRIDOR	28%[^]
CROSSLINX TRANSIT SOLUTIONS	EGLINTON LRT	25%[^]
BRIDGING NORTHAMERICA	GORDIE HOWE INTERNATIONAL BRIDGE	20%[^]
GRANDLINQ CONTRACTORS	WATERLOO LRT	10%[^]
	ONEIDA ENERGY STORAGE L.P.	8%[^]

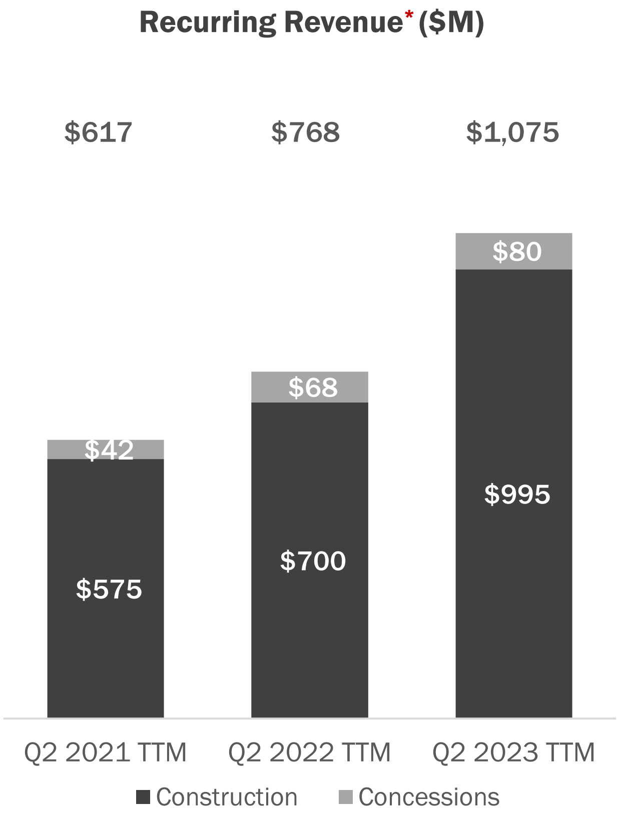
[+] Before corporate costs and eliminations.
[*] % of Q2 2023 TTM Construction revenue; Civil sector includes Roads and Highways operations, which contributed 11% of Construction segment revenue.
[^] % of Aecon equity ownership in Infrastructure Project Companies and Operators.
[∞] Aecon entered into an agreement with CC&L Infrastructure on March 15, 2023 to sell a 49.9% interest in the concessionaire. Aecon Concessions will retain the management contract for the airport and joint control of Skyport with a 50.1% retained interest. All required approvals have now been received and the transaction is expected to close in Q3 2023.
[@] This is a non-GAAP financial measure. Refer to page 2 in this presentation.

Solid Backlog & Growing Recurring Revenue Profile

Current backlog excludes Aecon's share of the GO Expansion OnCorr, Scarborough Subway Extension SRS and Darlington SMR projects∞







50% Fixed Price (56% at June 30, 2022)	50% Cost Plus/ Unit Price (44% at June 30, 2022)

Backlog Contract Type At June 30, 2023

47% Fixed Price (52% same period last year)	53% Cost Plus/Unit Price (48% same period last year)

Q2 2023 TTM Revenue+

∞ 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 8 of Q2 2023 Investor Presentation.

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

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

@ This is a non-GAAP financial measure. Refer to page 2 in this presentation.

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Focused On Energy Transition Opportunities

60% of 2022 Revenue Tied To Sustainability Projects[#]

- Focused on various stages of the value chain in building the resilient, low carbon and connected infrastructure of tomorrow
- Presence in key markets across Canada and long-term relationships with clients across focused operating sectors

Utilities

- Electricity Transmission & Distribution
- Grid Modernization/Hardening
- Geothermal & District Energy / Renewables
- Energy Storage
- EV Charging Infrastructure
- Fibre and Broadband / Telecom Infrastructure & 5G
- In-Home Services

Oneida Energy Storage Project

Civil & Industrial

- Water Distribution & Management
- Hydroelectricity
- Hydrogen & Renewable Natural Gas
- Carbon Capture and Storage
- Rare Metals & Battery Material Mining Facilities

Site C Clean Energy Project

Nuclear

- Small Modular Reactors
- Refurbishment & Decommissioning
- Maintenance & Fabrication Services
- Nuclear Waste Management

Bruce Power Fuel Channel and Feeder Replacement

Urban Transportation Solutions

- Light Rail Transit
- High Speed Rail
- Monitoring Emerging Technologies – Smart Cities / Autonomous Vehicles / Hyperloop

GO Rail Expansion On-Corridor Works

[#] 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.

Working Towards Net Zero Construction

Today, the construction industry is responsible for about 10% of greenhouse gas emissions worldwide[1], and faces many opportunities for increased efficiency and lower emissions. Aecon is working to make construction activity more sustainable through innovative equipment, data-driven work processes and enhanced management of materials and waste. This is a summary of key initiatives we're using to reduce emissions and work towards net zero construction:

1 The 2020 Global Status Report for Buildings and Construction.
2 See 2021 Sustainability Report for some of our past initiatives.

14%
direct, intensity-based reduction to date

30%
direct, intensity-based reduction target

Net Zero
scopes 1, 2 & 3 by 2050

NOTABLE SUSTAINABILITY INITIATIVES

2022


EV Charger Installations on Aecon Properties


GeoExchange Installation


Low-Carbon Concrete Pilot

Zero-Emission Wheel Loader Pilot

2020 & 2021[2]


Solar tracker


Solar panels on trucks


Solar-powered road signs


Solar-powered light barrels


Solar light tower


Electric charging stations


Battery-powered tools


Lower-emissions vehicles

Biodiesel


Trialling of zero-emission equipment


Recycled asphalt


Battery-powered generator


Eco road salts

FUTURE CONSIDERATIONS


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


Continue to explore low-carbon construction materials


Alternative power for construction sites

2020 2022 2030 2050

Outlook

- Demand for Aecon's services across Canada continues to be strong. During the first six months of 2023, Aecon was awarded a number of projects that were added to backlog including delivery of the Deerfoot Trail Improvements project in Calgary, Alberta and an Aecon joint venture was awarded the Fuel Channel and Feeder Replacement contract for four units at the Bruce Nuclear Generating Station in Tiverton, Ontario.
- In addition, during 2022, a consortium in which Aecon is a participant was selected to deliver the long-term GO Expansion On-Corridor Works project in Ontario under a progressive design, build, operate and maintain contract model which begins with a two-year development phase leading into the main construction scope and a 25-year operations and maintenance component, while another consortium in which Aecon is a participant was selected as the development partner for the Scarborough Subway Extension Stations, Rail and Systems project in Ontario to be delivered using a progressive design-build model. None of the anticipated work from these two significant long-term progressive design-build projects is yet reflected in backlog.
- Aecon (including joint ventures in which Aecon is a participant) is also prequalified on a number of project bids due to be awarded during the next twelve months and has a pipeline of opportunities to further add to backlog over time. With backlog of $6.9 billion at June 30, 2023 and recurring revenue programs continuing to see robust demand, Aecon believes it is positioned to achieve further revenue growth over the next few years.
- While volatile global and Canadian economic conditions are impacting inflation, interest rates, and overall supply chain efficiency, these factors have stabilized to some extent and 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 Q2 2023 MD&A and Section 13 "Risk Factors" in the 2022 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.
- On May 1, 2023, Aecon announced the closing of the previously disclosed definitive purchase agreement with GIP under which Aecon sold its ATE operations. Net cash proceeds received on closing, net of debt and cash assumed by the purchaser, were $155.3 million. On March 15, 2023, Aecon announced that it has entered into an agreement with CC&L Infrastructure to sell a 49.9% interest in the Bermuda International Airport concessionaire for US$128.5 million ($170.1 million equivalent at June 30, 2023) in cash. Closing of this sale transaction is expected in the third quarter of 2023. Upon closing, Aecon expects to use the net proceeds from the transaction to pay down debt on its revolving credit facility. Aecon plans to maintain a disciplined capital allocation approach focused on long-term shareholder value.
- In the Construction segment, with strong demand, growing recurring revenue programs, and diverse backlog in hand, Aecon is focused on achieving solid execution on its projects and selectively adding to backlog through a disciplined bidding approach that supports long-term margin improvement in this segment. In addition to the selection of consortiums in which Aecon is a participant for two large transit related projects in 2022 noted above, in early 2023, a partnership in which Aecon is a participant announced that it had executed a six-year alliance agreement with Ontario Power Generation to deliver North America's first grid-scale Small Modular Reactor through the Darlington New Nuclear Project in Clarington, Ontario. In addition, Oneida LP, a consortium in which Aecon Concessions is an 8.35% equity partner, executed an agreement with the Independent Electricity System Operator for the Oneida Energy Storage Project to deliver a 250 megawatt / 1,000 megawatt-hour energy storage facility near Nanticoke Ontario, with Aecon awarded a $141 million Engineering, Procurement and Construction contract by Oneida LP. All of these projects further demonstrate Aecon's strategic focus in the industry with respect to projects linked to decarbonization, energy transition, and sustainability and represent more collaborative procurement models than have traditionally been used.
- In the Concessions segment, in addition to expecting an ongoing recovery in travel through the Bermuda International Airport through 2023, 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. The GO Expansion On-Corridor Works project and the Oneida Energy Storage project noted above are examples of the role Aecon's Concessions segment is playing in developing, operating and maintaining assets related to this transition.

APPENDIX

Non-GAAP Measures Quantitative Reconciliation

Net Working Capital Reconciliation ($M)

	June 30, 2023
Trade and Other Receivables	1,057.9
Unbilled Revenue	752.7
Inventories	30.6
Prepaid Expenses	119.0
Less	
Trade and Other Payables	1120.6
Provisions	14.8
Deferred Revenue	303.8
Net Working Capital	520.9

Equity Project EBITDA Reconciliation ($M)

	Q2 2023 TTM	Q2 2022 TTM
Operating profit of projects accounted for using the equity method	56.9	55.1
Depreciation and amortization of projects accounted for using the equity method	0.7	0.8
Equity Project EBITDA	57.6	55.9

Free Cash Flow Reconciliation ($M)*

	Q2 2023 TTM	Q2 2022 TTM
Profit Before Income Taxes	**103.6**	**41.7**
Finance cost	65.2	48.8
Finance income	(5.8)	(0.6)
Operating Profit	**162.9**	**89.9**
Depreciation and amortization	91.8	90.6
Gain on sale of assets	(91.9)	(5.1)
Income from projects accounted for using the equity method	(19.0)	(15.4)
Equity Project EBITDA@	57.6	55.9
Adjusted EBITDA@	**201.4**	**215.9**
Cash interest paid	(58.5)	(42.8)
Cash interest received	5.8	0.6
Purchase of property, plant and equipment	(32.3)	(23.1)
Proceeds on sale of property, plant and equipment	76.1	8.7
Increase in intangible assets	(10.3)	(3.1)
Income taxes paid	(35.7)	(33.9)
Increase in marketable securities	(0.8)	-
Provision for expected credit losses	0.8	-
Free Cash Flow before Working Capital and net JV Impact	**146.6**	**122.3**
Change in other balances related to operations	(275.0)	(199.3)
Equity Project EBITDA@	(57.6)	(55.9)
Distributions from projects accounted for using the equity method	1.9	2.7
Free Cash Flow	(184.2)	(130.2)

Cash Flow From Operations & Investing Reconciliation ($M)*

	Q2 2023 TTM	Q2 2022 TTM
Free Cash Flow	(184.2)	(130.2)
Defined benefit pension	0.5	0.1
Stock-based compensation settlements and receipts	(5.6)	(2.2)
Concession deferred revenue	(4.0)	(3.8)
Unrealized foreign exchange (gain) / loss	(1.1)	2.3
Increase (decrease) in provisions	(0.4)	4.7
Stock-based compensation expense	20.4	21.1
Decrease (increase) in restricted cash balances	(4.0)	1.7
Investment in concession rights	-	0.3
Increase in long-term financial assets	(7.3)	(0.1)
Proceeds on sale of a subsidiary, net of cash on hand	155.3	
Net cash outflow on acquisition of a business	0.1	(30.5)
Other	(0.7)	(0.4)
Total Reconciling Items	153.4	(6.9)
Cash Flow from Operations	(209.5)	(93.7)
Cash Flow from Investing Activities	178.6	(43.4)
Cash Flow from Operations and Investing Activities	**(30.8)**	**(137.1)**

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

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