

First Quarter 2023 Results Presentation

April 26, 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; Aecon's equity interest in Oneida Energy Storage L.P.; 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; its sale of Aecon Transportation East ("ATE") to Green Infrastructure Partners Inc. ("GIP"), including strategic rationale for such transaction, and expected results therefrom; use of proceeds from the sale of ATE and related transaction timeline; Aecon's strategic partnership agreement with GIP and the results therefrom; Aecon's sale of a 49.9% interest in Bermuda Skyport Corporation Limited ("Skyport") to Connor, Clark & Lunn Infrastructure ("CC&L Infrastructure"), including strategic 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 Aecon's sale of ATE will not close; the risk that the strategic partnership with GIP will not realize the expected results and may negatively impact Aecon's existing business; the risk that Aecon will not realize the strategic rationale for the sale of ATE; 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 anticipated balance sheet flexibility with the completion of the sale of ATE; 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.sedar.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 March 31, 2023 Management's Discussion and Analysis, filed April 25, 2023 (the "Q1 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 Q1 2023 MD&A is available on SEDAR (www.sedar.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.

Q1 2023 Financial Results

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

\$ Millions (except per share amounts)	Three Months Ended March 31			Twelve Months Ended March 31		
	2023	2022	Change ⁺	2023	2022	Change ⁺
Revenue	1,107	986	▲ 12%	4,818	4,209	▲ 14%
Gross Profit	66.8	61.1	▲ 9%	361.7	370.6	▼ 2%
Gross Profit Margin % ^{&}	6.0%	6.2%	▼ 20 bps	7.5%	8.8%	▼ 130 bps
Adjusted EBITDA [@]	24.6	20.6	▲ 19%	223.2	238.7	▼ 6%
Adjusted EBITDA Margin % [*]	2.2%	2.1%	▲ 10 bps	4.6%	5.7%	▼ 110 bps
Operating Profit	5.6	(9.6)	▲ 158%	112.4	119.4	▼ 6%
Profit (Loss)	(9.4)	(17.4)	▲ 46%	38.4	50.7	▼ 24%
Earnings (Loss) per share – diluted	(0.15)	(0.29)	▲ 48%	0.59	0.79	▼ 25%
New Awards	812	1,211	▼ 33%	4,396	4,719	▼ 7%
Backlog (at end of period) [@]	6,002	6,423	▼ 7%	6,002	6,423	▼ 7%

⁺ 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 Q1 2023 Results

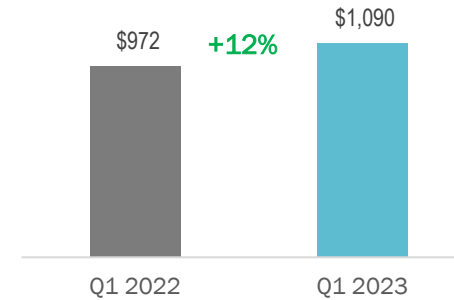
Revenue up by **\$119M**, or **12%**, quarter-over-quarter

- ▲ \$65M in civil operations driven by an increase in major projects in both eastern and western Canada.
- ▲ \$27M in industrial operations due to increased activity on mainline pipeline work and higher field construction work at mining and wastewater facilities all in western Canada, partially offset by lower volume of field construction work at chemical facilities in eastern Canada.
- ▲ \$11M in nuclear operations driven by an increased volume of refurbishment work at nuclear generating stations in Ontario and the U.S.
- ▲ \$9M in utilities operations from increased volume of telecommunications and high-voltage electrical transmission work, partially offset by a lower volume of oil and gas distribution work.
- ▲ \$7M in urban transportation solutions driven primarily by a higher volume of rail electrification project work in Ontario.

New awards lower by **\$398M**, or **33%**, quarter-over-quarter

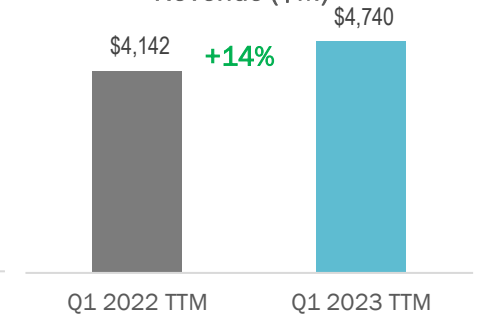
Q1 2023*

Revenue (\$M)

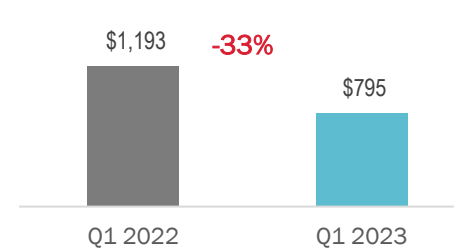


Q1 2023 TTM*

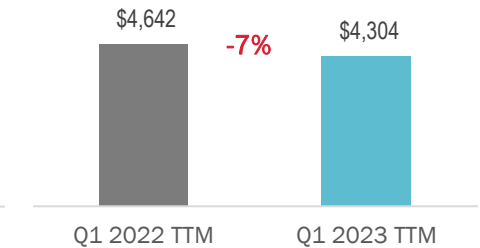
Revenue (\$M)



New Awards (\$M)



New Awards (\$M)



Construction Q1 2023 Results (continued)

Q1 2022 TTM results include net benefit from the Canada Emergency Wage Subsidy (“CEWS”) program of \$24.1M

Adjusted EBITDA[Ⓐ] up by **\$3M**, or **16%**, quarter-over-quarter and

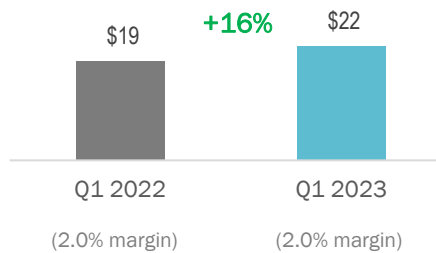
Operating Profit up by **\$15M**, or **1146%**, quarter-over-quarter

- ▲ Higher volume and gross profit margin in industrial and urban transportation solutions. Higher gross profit and gross profit margin in industrial was largely due to a negative gross profit of \$7.1 million in the same period last year versus \$nil in the first quarter of 2023 from one of the four fixed price legacy projects.⁺
- ▲ Higher volume in nuclear operations.
- ▼ Lower gross profit in civil operations due to negative gross profit of \$2.8 million in the first quarter of 2023 versus a gross profit of \$3.9 million in the same period last year from one of the four fixed price legacy projects.⁺
- ▲ Operating profit impacted by increase in gains on the sale of property and equipment of \$10.4 million in utilities operations.

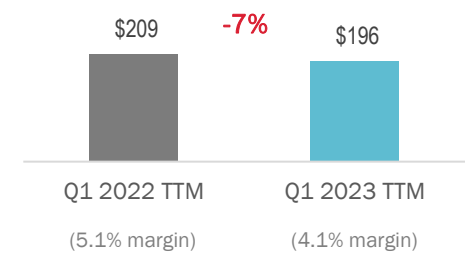
Q1 2023*

Q1 2023 TTM*

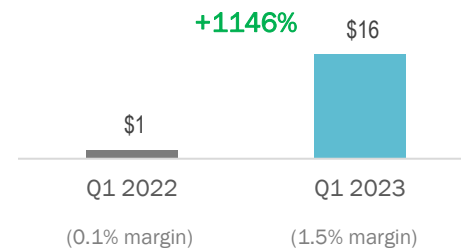
Adj. EBITDA (\$M)



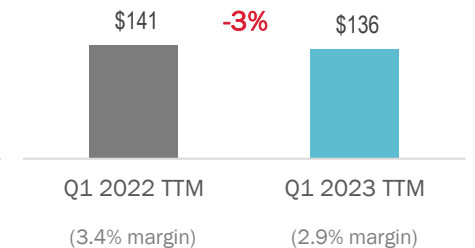
Adj. EBITDA (\$M)



Operating Profit (\$M)



Operating Profit (\$M)



Concessions Q1 2023 Results

Revenue up by **\$3M**, or **18%**, quarter-over-quarter

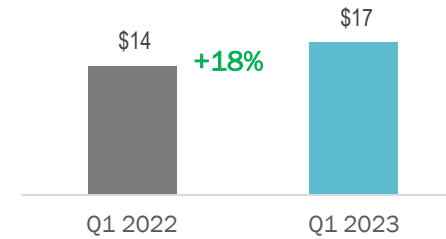
Primarily due to an increase in commercial flight operations at the Bermuda International Airport.

Adjusted EBITDA[®] up by **\$1.4M**, or **10%**, quarter-over-quarter and
Operating Profit up by **\$0.9M**, or **60%**, quarter-over-quarter

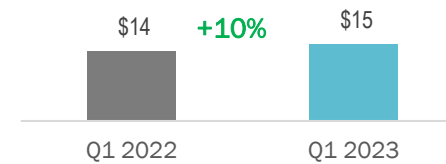
Primarily from an increase in management and development fees as well as an improvement in operating results from the Bermuda International Airport.

Q1 2023*

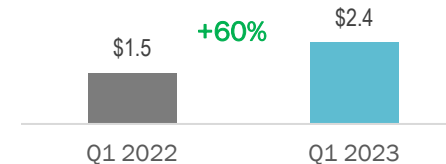
Revenue (\$M)



Adj. EBITDA (\$M)

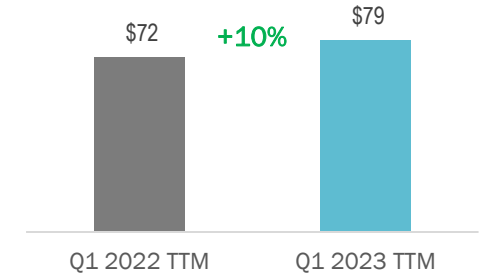


Operating Profit (\$M)

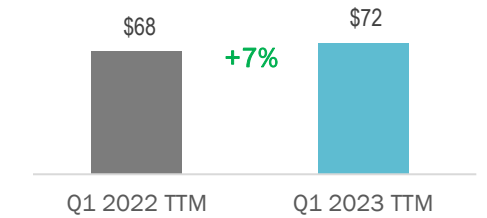


Q1 2023 TTM*

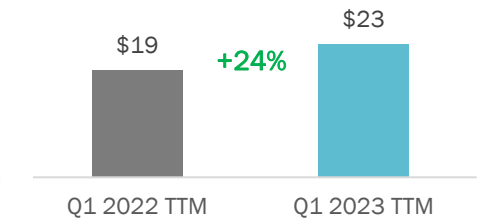
Revenue (\$M)



Adj. EBITDA (\$M)



Operating Profit (\$M)



* Totals and variances may not add due to rounding and eliminations.
[®] This is a non-GAAP financial measure. Refer to page 2 in this presentation.

Financial Position, Liquidity and Capital Resources

Balance Sheet (\$M)	
	March 31, 2023
Core Cash	22.4
Bank Indebtedness	(240.0)
Cash in Joint Operations	336.0
Total Cash[^]	118.4
Net Working Capital [♦]	484.8
Long-Term Debt [∞]	
- Finance Leases	162.0
- Equipment & Other Asset Loans	60.7
LT Debt excluding Convertible Debentures [∞]	222.7
Convertible Debentures (Face Value) due Dec. 2023 (5.0%)	184.0
Total LT Debt plus Convertible Debentures[∞]	406.7
LT Debt to Q1 2023 TTM Adjusted EBITDA ^{&∞@+}	
- Excluding Convertible Debentures	1.0 x
- Including Convertible Debentures	1.8 x
Net Debt to Q1 2023 TTM Adjusted EBITDA ^{&∞@+}	2.8 x
Debt to capitalization percentage ^α	30%

- \$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.

^α 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 \$402.8 million (including \$180.1 million fair value of convertible debentures) divided by capitalization of \$1,337.4 million, which is comprised of shareholders' equity of \$934.6 million plus \$402.8 million of debt, to equal 30%.

Free Cash Flow (\$M)		
	Q1 2023 TTM	Q1 2022 TTM
Operating profit (loss)	112.4	119.4
Depreciation and amortization	94.2	88.4
(Gain) on sale of assets	(22.6)	(9.6)
Income from projects accounted for using the equity method	(17.9)	(15.5)
Equity Project EBITDA [@]	57.2	55.9
Adjusted EBITDA[@]	223.2	238.7
Cash Interest Expense (net)	(51.0)	(40.6)
Capital Expenditures (net)	(18.8)	(16.6)
Income Taxes Paid	(23.4)	(32.9)
Change in Working Capital	(186.3)	(275.3)
Net JV Impact [*]	(53.9)	(52.8)
Free Cash Flow[#]	(110.2)	(179.5)
Cash Flow From Operations	(79.3)	(143.1)
Cash Flow From Investing Activities	(24.1)	(37.5)
Cash Flow From Operations & Investing Activities	(103.4)	(180.6)

^{*} Net JV Impact represents the difference between Equity Project EBITDA included in Adjusted EBITDA (Equity Project EBITDA as defined in Aecon's Q1 2023 MD&A) and distributions from projects accounted for using the equity method.

⁻ Excludes \$2.9 million and \$27.5 million purchase amounts (net of cash acquired) in Q1 2023 TTM and Q1 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

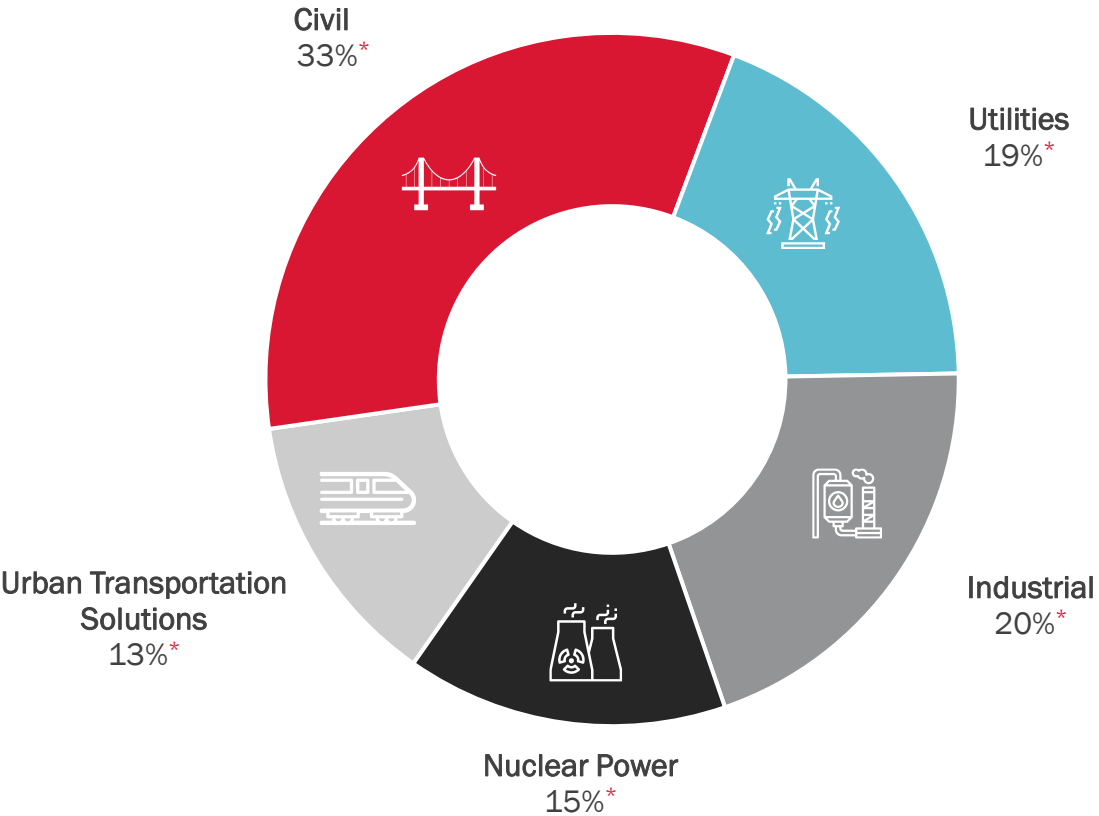
President and Chief Executive Officer



Diverse Business Model

Construction

Q1 2023 TTM Revenue **\$4,740 M⁺**
 Q1 2023 TTM Adj. EBITDA **\$196 M^{+@}**
 Q1 2023 TTM Operating Profit **\$136 M⁺**



⁺ Before corporate costs and eliminations.

^{*} % of Q1 2023 TTM Construction revenue; Civil sector includes Roads and Highways operations, which contributed 12% of Civil sector revenue.

[^] % of Aecon equity ownership in the concessionaire, or in the case of the GO Rail On-Corridor project, the O&M partnership.

[@] 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. Transaction expected to close in Q2 2023.

[&] Aecon Concessions will be an equity partner upon financial close in the Oneida Energy Storage L.P.

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

Concessions

Q1 2023 TTM Revenue **\$79 M⁺**
 Q1 2023 TTM Adj. EBITDA **\$72 M^{+@}**
 Q1 2023 TTM Operating Profit **\$23 M⁺**

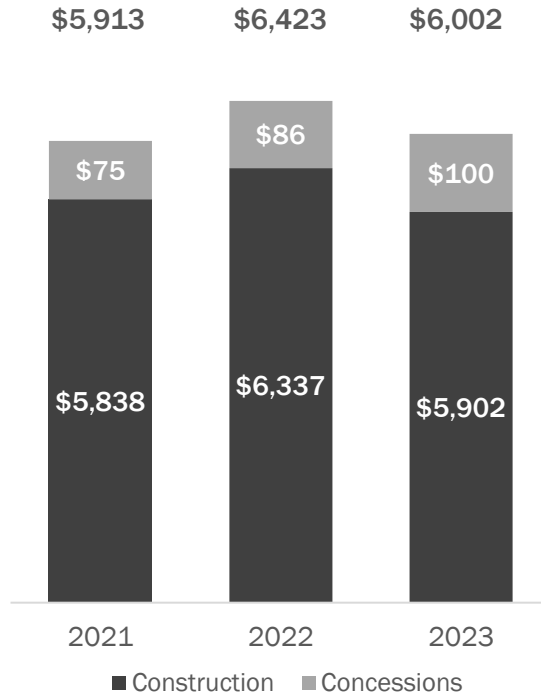
	BERMUDA INTERNATIONAL AIRPORT	100%^{^∞}
	FINCH WEST LRT	33%[^]
	GO RAIL NETWORK ON-CORRIDOR	28%[^]
	EGLINTON LRT	25%[^]
	GORDIE HOWE INTERNATIONAL BRIDGE	20%[^]
	WATERLOO LRT	10%[^]
	ONEIDA ENERGY STORAGE L.P.	8%^{^&}

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[∞]

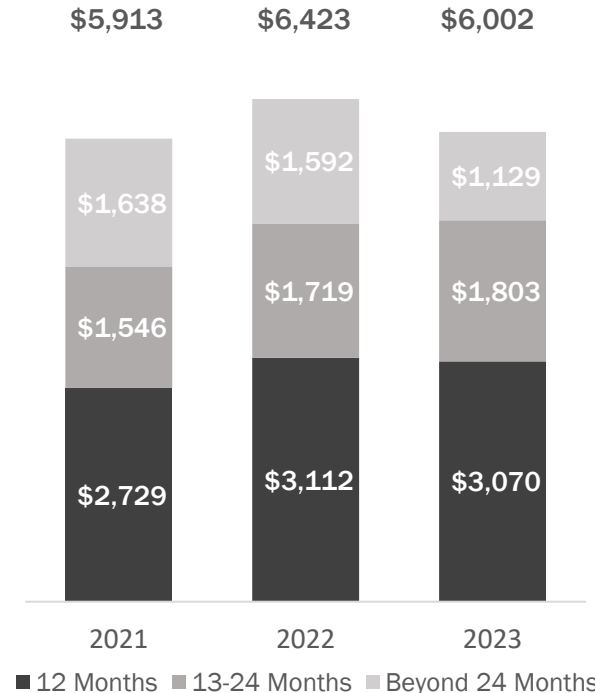
Total Backlog*[∞] (\$M)

At March 31

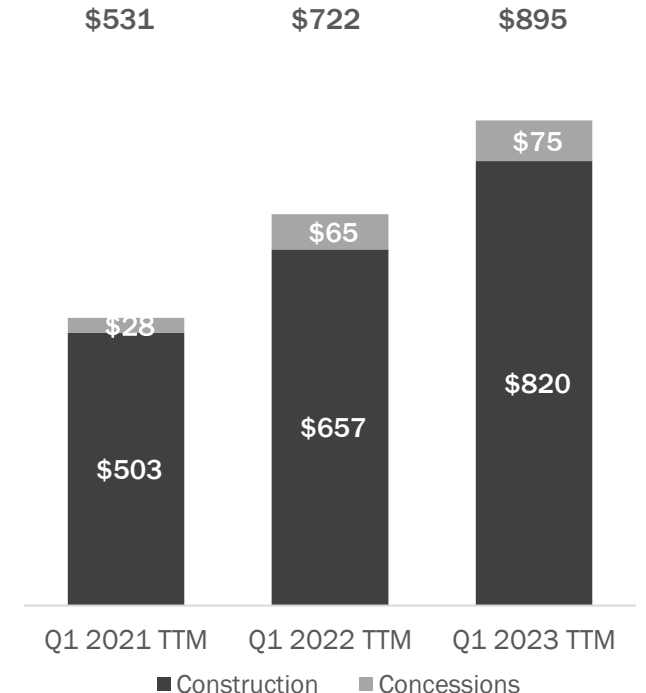


Backlog Duration* (\$M)

At March 31



Recurring Revenue* (\$M)



52% Fixed Price
(64% at March 31, 2022)

48% Cost Plus/ Unit Price
(36% at March 31, 2022)

Backlog Contract Type At March 31, 2023

46% Fixed Price
(61% same period last year)

54% Cost Plus/Unit Price
(39% same period last year)

Q1 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.

* 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.

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	Civil & Industrial	Nuclear	Urban Transportation Solutions
<ul style="list-style-type: none"> • Electricity Transmission & Distribution • Grid Modernization/Hardening • Geothermal & District Energy / Renewables • Energy Storage • EV Charging Infrastructure • Fibre and Broadband / Telecom Infrastructure & 5G • In-Home Services 	<ul style="list-style-type: none"> • Water Distribution & Management • Hydroelectricity • Hydrogen & Renewable Natural Gas • Carbon Capture and Storage • Rare Metals & Battery Material Mining Facilities 	<ul style="list-style-type: none"> • Small Modular Reactors • Refurbishment & Decommissioning • Maintenance & Fabrication Services • Nuclear Waste Management 	<ul style="list-style-type: none"> • Light Rail Transit • High Speed Rail • Monitoring Emerging Technologies – Smart Cities / Autonomous Vehicles / Hyperloop
 <p data-bbox="343 1172 690 1196"> </p> <p data-bbox="343 1196 690 1273">Oneida Energy Storage Project</p>	 <p data-bbox="848 1172 1195 1273">Site C Project</p>	 <p data-bbox="1352 1172 1699 1273">Bruce Power Steam Generator Replacement</p>	 <p data-bbox="1857 1172 2204 1273">GO Expansion On-Corridor Works</p>

[#] 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 worldwide¹, 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

NOTABLE SUSTAINABILITY INITIATIVES

2022



EV Charger Installations on Aecon Properties



GeoExchange Installation



Low-Carbon Concrete Pilot



Zero-Emission Wheel Loader Pilot

2020 & 2021²



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



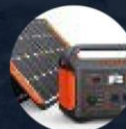
Biodiesel



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

Net Zero

scopes 1, 2 & 3 by 2050

2020

2022

2030

2050

Outlook

- Demand for Aecon’s services across Canada continues to be strong, particularly in smaller and medium sized projects.
- 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 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 \$6.0 billion at March 31, 2023 and recurring revenue programs continuing to see robust demand, driven by the utilities sector and ongoing recovery in airport traffic in Bermuda, 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 – see Section 5 “Recent Developments”, Section 10.2 “Contingencies” and Section 13 “Risk Factors” in the Q1 2023 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 March 1, 2023, Aecon announced that it has entered into a definitive purchase agreement with GIP under which Aecon has agreed to sell its ATE roadbuilding, aggregates and materials businesses in Ontario for \$235 million in cash. 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 (\$173.9 million equivalent at March 31, 2023) in cash. Closing of these sales transactions is expected in the second quarter of 2023. Upon closing, Aecon expects to use the net proceeds from the transactions 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 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.



APPENDIX

Non-GAAP Measures Quantitative Reconciliation

Net Working Capital Reconciliation (\$M)

	March 31, 2023
Trade and Other Receivables	957.9
Unbilled Revenue	765.7
Inventories	27.2
Prepaid Expenses	89.7
Less	
Trade and Other Payables	1052.7
Provisions	17.2
Deferred Revenue	285.9
Net Working Capital	484.7

Equity Project EBITDA Reconciliation (\$M)

	Q1 2023 TTM	Q1 2022 TTM
Operating profit of projects accounted for using the equity method	56.4	55.1
Depreciation and amortization of projects accounted for using the equity method	0.8	0.8
Equity Project EBITDA	57.2	55.9

Free Cash Flow Reconciliation (\$M)*

	Q1 2023 TTM	Q1 2022 TTM
Profit Before Income Taxes	54.4	73.3
Finance cost	62.2	46.6
Finance income	(4.2)	(0.6)
Operating Profit	112.4	119.4
Depreciation and amortization	94.2	88.4
Gain on sale of assets	(22.6)	(9.6)
Income from projects accounted for using the equity method	(17.9)	(15.5)
Equity Project EBITDA [Ⓢ]	57.2	55.9
Adjusted EBITDA[Ⓢ]	223.2	238.7
Cash interest paid	(55.3)	(41.1)
Cash interest received	4.2	0.5
Purchase of property, plant and equipment	(32.9)	(25.3)
Proceeds on sale of property, plant and equipment	23.4	11.4
Increase in intangible assets	(9.3)	(2.7)
Income taxes paid	(23.3)	(32.9)
Increase in marketable securities	(0.8)	-
Provision for expected credit losses	0.8	-
Free Cash Flow before Working Capital and net JV Impact	130.0	148.6
Change in other balances related to operations	(186.3)	(275.3)
Equity Project EBITDA [Ⓢ]	(57.2)	(55.9)
Distributions from projects accounted for using the equity method	3.2	3.1
Free Cash Flow	(110.2)	(179.5)

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

	Q1 2023 TTM	Q1 2022 TTM
Free Cash Flow	(110.2)	(179.5)
Defined benefit pension	0.5	0.8
Stock-based compensation settlements and receipts	(3.6)	(2.0)
Concession deferred revenue	(3.9)	(3.7)
Unrealized foreign exchange gain	0.4	0.2
Increase in provisions	1.9	6.9
Stock-based compensation expense	20.6	20.6
Decrease (increase) in restricted cash balances	(3.8)	7.7
Investment in concession rights	0.1	(3.1)
Increase in long-term financial assets	(1.0)	(1.1)
Net cash outflow on acquisition of a business	(2.9)	(27.5)
Other	(1.4)	0.2
Total Reconciling Items	6.8	(1.1)
Cash Flow from Operations	(79.3)	(143.1)
Cash Flow from Investing Activities	(24.1)	(37.5)
Cash Flow from Operations and Investing Activities	(103.4)	(180.6)

[Ⓢ] 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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