



**AECON**

# Investor Presentation

**FIRST QUARTER 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 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 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](http://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 15 and 24 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](http://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.

# Why Invest in Aecon?

POSITIONED TO HARNESS OPPORTUNITIES THAT ARE EXPECTED TO COME WITH THE TRANSITION TO A NET ZERO ECONOMY



## Favourable Demand Environment

**\$4.8B**

TOTAL REVENUE\*

**\$4.4B**

NEW AWARDS\*

**\$6.0B**

BACKLOG®  
(at Mar 31, 2023)

- Significant level of infrastructure investment underway across Aecon's focus areas
- Positive population and immigration dynamics helping drive demand
- Transition to net zero economy creating opportunities in both public and private sectors
- Canada's exposure to resources sector driving additional demand in private sector
- Historically, government investment in infrastructure has been a key source of stimulus in economic slowdowns



## Diversified & Resilient Business Model

	CONSOLIDATED <sup>+</sup>	CONSTRUCTION	CONCESSIONS
ADJ. EBITDA <sup>Ⓜ</sup>	<b>\$223M</b>	<b>\$196M</b>	<b>\$72M</b>
OPERATING PROFIT <sup>*</sup>	<b>\$112M</b>	<b>\$136M</b>	<b>\$23M</b>

- Diversified projects by geography, sector, contract size and type in Construction segment
- ~750 discrete projects underway with average project size ~\$30 million
- Growing number of projects in Concessions portfolio
- Recurring revenue base adds further stability and growth opportunity to business mix
- 54% of Q1 2023 TTM revenue from non-fixed price contracts versus 39% of Q1 2022 TTM revenue
- Positioned to harness expected opportunities linked to sustainability and the transition to a net zero economy



## Shareholder Value Creation

**9%**

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

**60%**

OF 2022  
REVENUE TIED TO  
SUSTAINABILITY  
PROJECTS<sup>#</sup>

**67%**

OF BACKLOG  
TIED TO  
SUSTAINABILITY  
PROJECTS<sup>#&</sup>

**7**

ACQUISITIONS  
IN THE ENERGY  
TRANSITION<sup>∞</sup>

- History of regular dividend increases
- Growth in Concessions and O&M portfolio provides future revenue generating opportunities
- Focused on sustainability, including 30% GHG reduction target on an intensity basis<sup>~</sup> by 2030 as compared to 2020 and net zero target by 2050
- First Canadian construction company to adopt a sustainability-linked credit facility tied to ESG objectives
- Recognized as one of Canada's Best 50 Corporate Citizens (Corporate Knights 2022)

\* Q1 2023 Trailing Twelve Months ("TTM").

<sup>+</sup> After corporate costs and eliminations.

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

<sup>&</sup> At March 31, 2023

<sup>Ⓜ</sup> This is a non-GAAP financial measure. Refer to page 2 in this presentation.

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

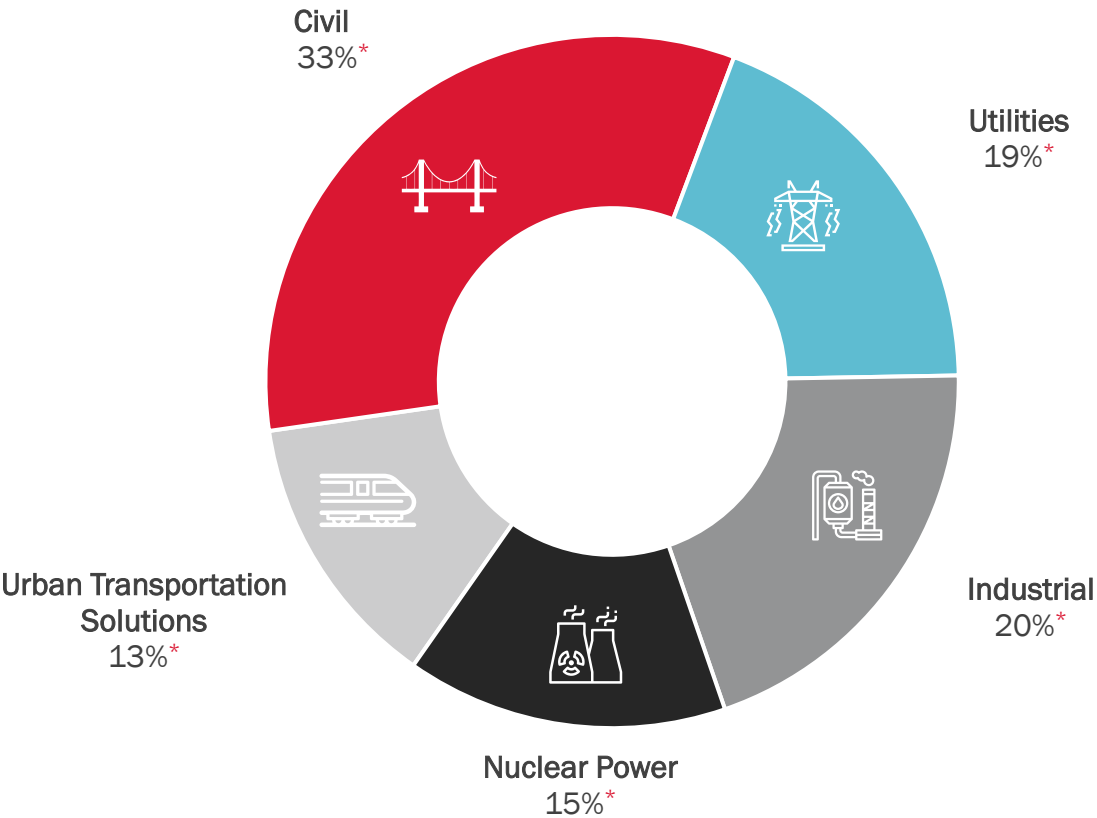
<sup>∞</sup> Strategic, tuck-in acquisitions made over the past three years related to clean energy and transition to a net zero economy through decarbonization.

<sup>~</sup> Intensity based targets are based on economic output and represent tonnes of CO<sub>2</sub> per million dollars of revenue.

# Diverse Business Model

## Construction

Q1 2023 TTM Revenue	\$4,740 M <sup>+</sup>
Q1 2023 TTM Adj. EBITDA	\$196 M <sup>+@</sup>
Q1 2023 TTM Operating Profit	\$136 M <sup>+</sup>



<sup>+</sup> Before corporate costs and eliminations.  
<sup>\*</sup> % of Q1 2023 TTM Construction revenue; Civil sector includes Roads and Highways operations, which contributed 12% of Civil sector revenue.  
<sup>^</sup> % of Aecon equity ownership in the concessionaire, or in the case of the GO Rail On-Corridor project, the O&M partnership.  
<sup>∞</sup> 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.  
<sup>&</sup> Aecon Concessions will be an equity partner upon financial close in the Oneida Energy Storage L.P.  
<sup>@</sup> This is a non-GAAP financial measure. Refer to page 2 in this presentation.

## Concessions

Q1 2023 TTM Revenue	\$79 M <sup>+</sup>
Q1 2023 TTM Adj. EBITDA	\$72 M <sup>+@</sup>
Q1 2023 TTM Operating Profit	\$23 M <sup>+</sup>

	<b>BERMUDA INTERNATIONAL AIRPORT</b>	<b>100%<sup>∞</sup></b>
	<b>FINCH WEST LRT</b>	<b>33%<sup>^</sup></b>
	<b>GO RAIL NETWORK ON-CORRIDOR</b>	<b>28%<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>
	<b>ONEIDA ENERGY STORAGE L.P.</b>	<b>8%<sup>^&amp;</sup></b>



# Highlighting Value Through Strategic Monetization

Transactions will strengthen balance sheet and complement strategic focus on investments in end markets related to energy transition and sustainability

## Sale of Aecon Transportation East Business To Green Infrastructure Partners

Price & Overview	<ul style="list-style-type: none"> <li>100% sale of Aecon Transportation East Business ("ATE") to Green Infrastructure Partners Inc. ("GIP") for \$235 million cash</li> <li>ATE comprised of Aecon's roadbuilding, aggregates and materials businesses in Ontario and represented ~7% of Aecon's 2022 revenue</li> </ul>
Strategic Cooperation Agreement	<ul style="list-style-type: none"> <li>Aecon and GIP have entered into a strategic cooperation agreement for certain major projects and pursuits in Ontario that leverages both Aecon's heavy civil construction services and GIP's roadbuilding capabilities</li> </ul>
Approvals and Timing	<ul style="list-style-type: none"> <li>Closed on May 1, 2023</li> </ul>

## 49.9% Sale of Bermuda International Airport Concessionaire To CC&L Infrastructure

Price & Overview	<ul style="list-style-type: none"> <li>Sale of 49.9% interest in the L.F. Wade International Airport (Bermuda International Airport) concessionaire, Bermuda Skyport Corporation Limited ("Skyport") to Connor, Clark &amp; Lunn Infrastructure ("CC&amp;L Infrastructure") for US\$128.5 million in cash</li> </ul>
Management Structure	<ul style="list-style-type: none"> <li>Aecon Concessions will retain the management contract for the airport and joint control of Skyport with a 50.1% retained interest</li> </ul>
Approvals and Timing	<ul style="list-style-type: none"> <li>Closing of the transaction is expected in the second quarter of 2023, subject to customary closing conditions</li> </ul>

### Strategic Rationale

- ✓ Shift towards opportunities related to decarbonization, energy transition and sustainability
- ✓ Consistent with Aecon's goal of targeting prudent balance sheet leverage and liquidity
- ✓ Helps reduce overall capital intensity of Aecon's business

### Strategic Rationale

- ✓ Highlights value of the Bermuda International Airport concession and underlines the contribution of the Concessions' portfolio of projects to Aecon
- ✓ Further strengthens Aecon's balance sheet while preserving capital for other long-term growth and concession opportunities
- ✓ Partnership with an experienced infrastructure investment firm demonstrates investor confidence in the future of Bermuda's long-term prospects



# Focused On Energy Transition Opportunities

60% of 2022 Revenue Tied To Sustainability Projects<sup>#</sup>



- 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"><li>• Electricity Transmission &amp; Distribution</li><li>• Grid Modernization/Hardening</li><li>• Geothermal &amp; District Energy / Renewables</li><li>• Energy Storage</li><li>• EV Charging Infrastructure</li><li>• Fibre and Broadband / Telecom Infrastructure &amp; 5G</li><li>• In-Home Services</li></ul>	<ul style="list-style-type: none"><li>• Water Distribution &amp; Management</li><li>• Hydroelectricity</li><li>• Hydrogen &amp; Renewable Natural Gas</li><li>• Carbon Capture and Storage</li><li>• Rare Metals &amp; Battery Material Mining Facilities</li></ul>	<ul style="list-style-type: none"><li>• Small Modular Reactors</li><li>• Refurbishment &amp; Decommissioning</li><li>• Maintenance &amp; Fabrication Services</li><li>• Nuclear Waste Management</li></ul>	<ul style="list-style-type: none"><li>• Light Rail Transit</li><li>• High Speed Rail</li><li>• Monitoring Emerging Technologies – Smart Cities / Autonomous Vehicles / Hyperloop</li></ul>
 <div>Oneida Energy Storage Project</div>	 <div>Site C Project</div>	 <div>Bruce Power Steam Generator Replacement</div>	 <div>GO Expansion On-Corridor Works</div>

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

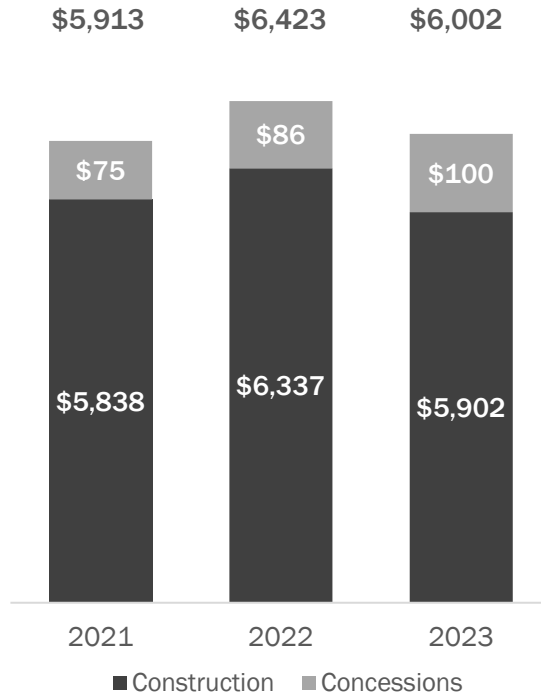


# Solid Backlog & Growing Recurring Revenue Profile

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

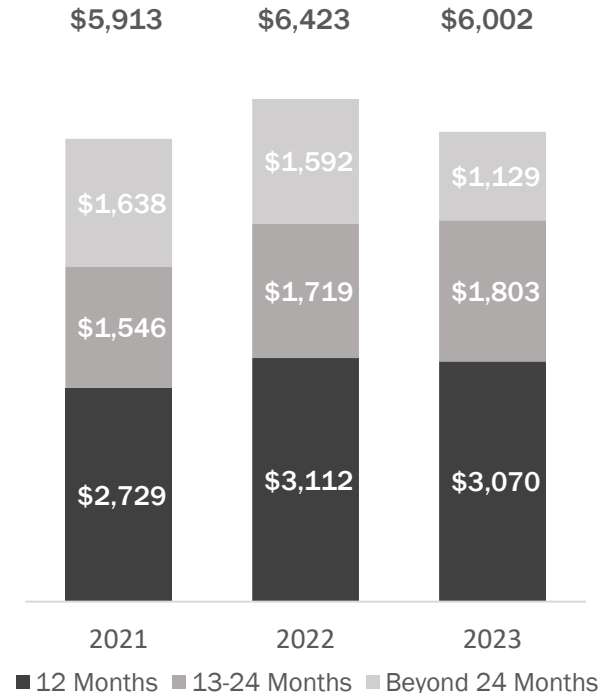
## Total Backlog<sup>\*@</sup> (\$M)

At March 31

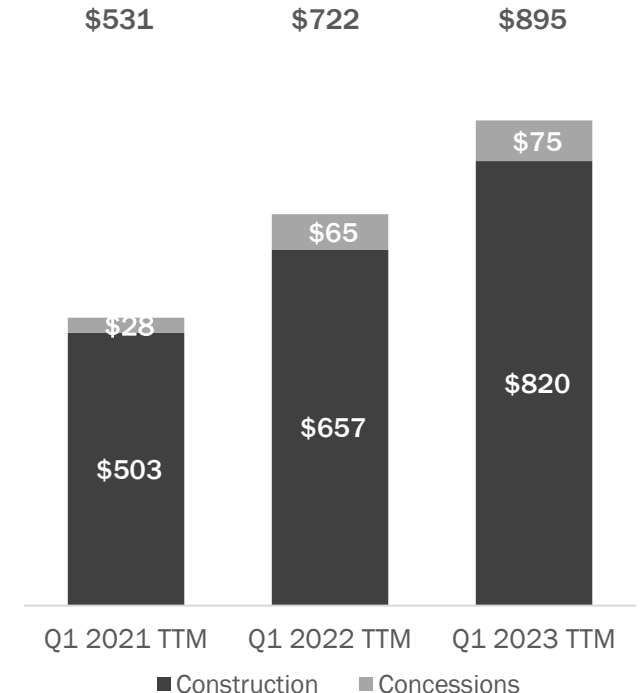


## Backlog Duration<sup>\*</sup> (\$M)

At March 31



## Recurring Revenue<sup>\*</sup> (\$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<sup>+</sup>

<sup>∞</sup> 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.

<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 page 2 in this presentation.



# De-Risking Business Through Collaborative Models

Three recent announcements for sustainability linked projects that present significant opportunities for long-term growth<sup>#</sup>

## GO Expansion On-Corridor (OnCorr) Works Project

Estimated Total Capital Cost: >\$10B<sup>^</sup>&

### Progressive Design, Build, Operate & Maintain Model

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

Progressive and collaborative design, build, operate and maintain model

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

Aecon 50% share in a civil JV with FCC, and 28% share in a 25-year O&M partnership with Deutsche Bahn

Early works and a two-year collaborative development phase commenced in Q3 2022, with O&M anticipated to commence in Q2 2024



## Scarborough Subway Extension Stations, Rail and Systems (SRS)

Estimated Design & Construction Cost: \$2B - \$4B<sup>\*&</sup>

### Progressive Design-Build Model

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

Progressive and collaborative Design-Build model

STC has executed a development phase agreement with Infrastructure Ontario (IO) and Metrolinx to finalize the scope, cost and schedule of various elements of the project over an 18-month period, with certain early works activities commencing during this phase

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



## Darlington New Nuclear Project (DNNP) Small Modular Reactor (SMR)

Total Capital Cost Under Development

### Integrated Project Delivery Model

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

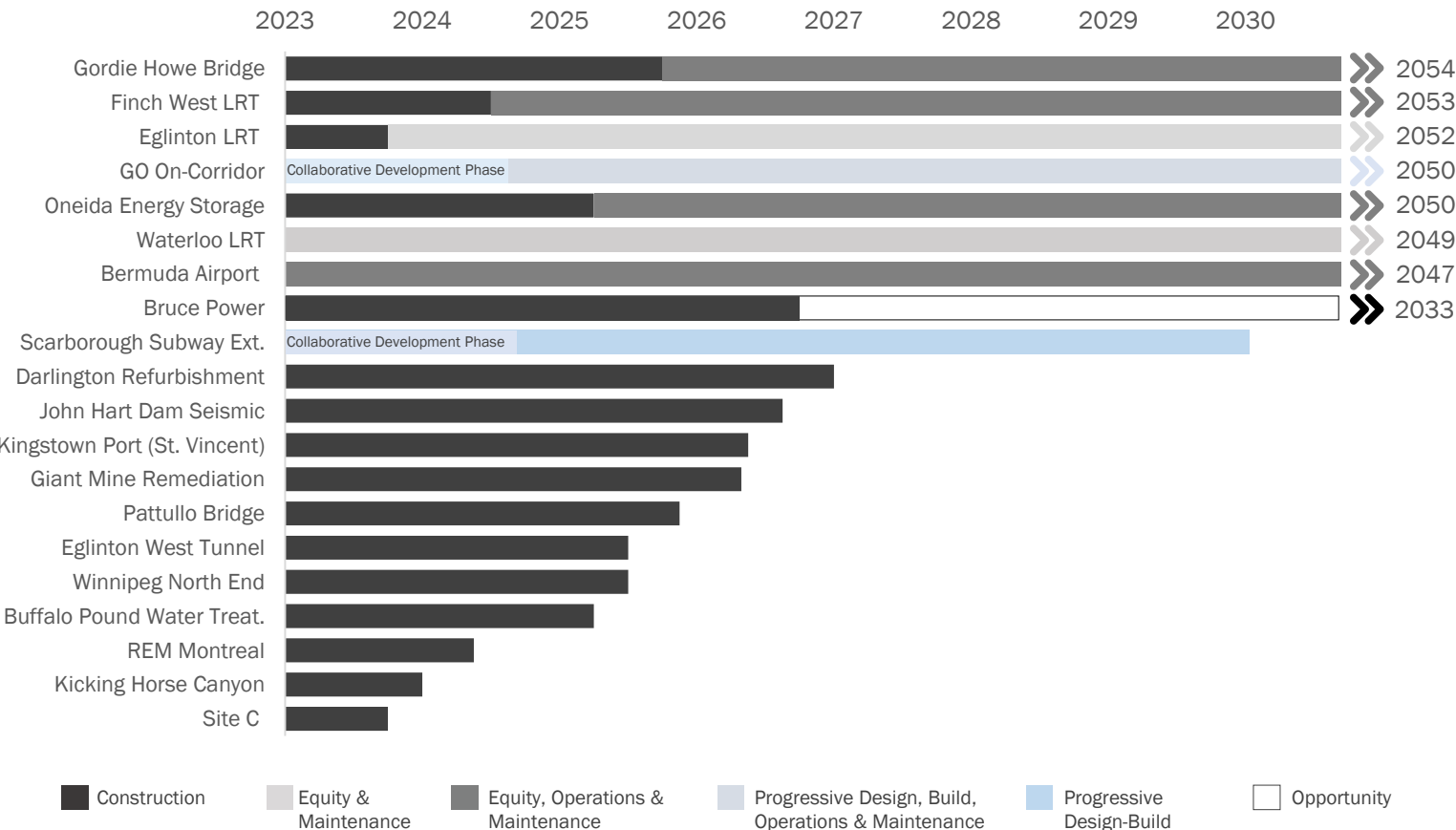
Under an Integrated Project Delivery (IPD) model, OPG serves as the license holder and will maintain overall responsibility for the project, including operator training, commissioning, Indigenous engagement, stakeholder outreach and oversight

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



# Major Projects & Concessions Provide Stability

## Project Timeline (Starting from 2023)



## P3 Concessions / DBOM\*

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

**Finch West LRT**  
\$2.5 billion; construction started 2018; 33% equity stake and 30-year concession post construction (at 50% share in construction JV)

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

**GO Rail Expansion – On-Corridor**  
>\$10 billion<sup>^</sup>; 28% interest in a 25-year O&M partnership post collaborative design phase; 50% interest in construction JV

**Oneida Energy Storage**  
\$141 million EPC contract; 2-year project to be started in 2023; 8% equity stake and 20-year electricity storage services agreement (with additional 5-years of uncontracted revenue) post construction

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

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

## Other Major Projects\*

**Bruce Power Nuclear Refurbishment** (55% JV)  
Aecon consortium has a Preferred Supplier Agreement with Bruce Power for remaining four units; total potential project duration to ~2033

**Scarborough Subway Extension SRS** (50% JV)  
\$2-4\* billion; project duration to be determined post collaborative design phase

**Darlington Nuclear Refurbishment** (50% JV)  
\$2.75 billion; ~10-year project started 2016

**John Hart Dam Seismic Upgrade** (60% JV)  
\$245 million; ~3-year project to be started in 2023

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

**Giant Mine Remediation Water Treatment Plant Project**  
\$215 million; ~3-year project to be started in 2023

**Pattullo Bridge Replacement** (50% JV)  
\$968 million; ~5-year project started 2020

**Eglinton Crosstown West Extension Tunnel** (40% JV)  
\$729 million; ~4-year project started 2021

**Winnipeg North End Sewage Plant** (50% JV)  
\$272 million; ~4-year project started 2021

**Buffalo Pound Water Treatment Plant** (50% JV)  
\$273 million; ~3-year project started 2022

**REM LRT Montreal** (24% JV) / **REM LRT Airport Station** (50% JV)  
\$6.9 billion; ~6-year project started 2018

**Kicking Horse Canyon – Phase 4** (50% JV)  
\$441 million; ~4-year project started 2020

**Site C Generating Station & Spillways** (30% JV)  
\$1.6 billion; ~5-year project started 2018

Dates above are general estimates of completion and may not reflect final completion dates. For information regarding risk related to construction delays, see Section 13 “Risk Factors” in the Q1 2023 MD&A.

\* Awarded contract values refer to the initial contract amount and do not account for any subsequent change orders which have resulted in an increase to the scope and/or price of the contract; awarded contract values do not necessarily represent Aecon’s share, as all projects listed are with partners as of the date hereof except Bermuda Airport and Kingstown Port Modernization Project; construction duration of each project is approximate and subject to change.

<sup>o</sup> 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..

<sup>^</sup> Based on Infrastructure Ontario Market Update Report (January 2022); represents “Estimated Total Capital Costs” for the project, not Aecon’s share in the project.

<sup>+</sup> Based on Infrastructure Ontario Market Update Report (November 2022); represents “Estimated Design & Construction Cost” for the project, not Aecon’s share in the project.



# Government Investment Aligned with Aecon's Strengths<sup>^</sup>

## Federal Infrastructure Programs

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

12-year Federal investment plan 2016 to 2028

To date, the plan has invested over \$131B in over 85,000 projects, 94% of them completed or underway  
\$3.2B investment in Universal Broadband Fund to provide high-speed internet access to all Canadians by 2030

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

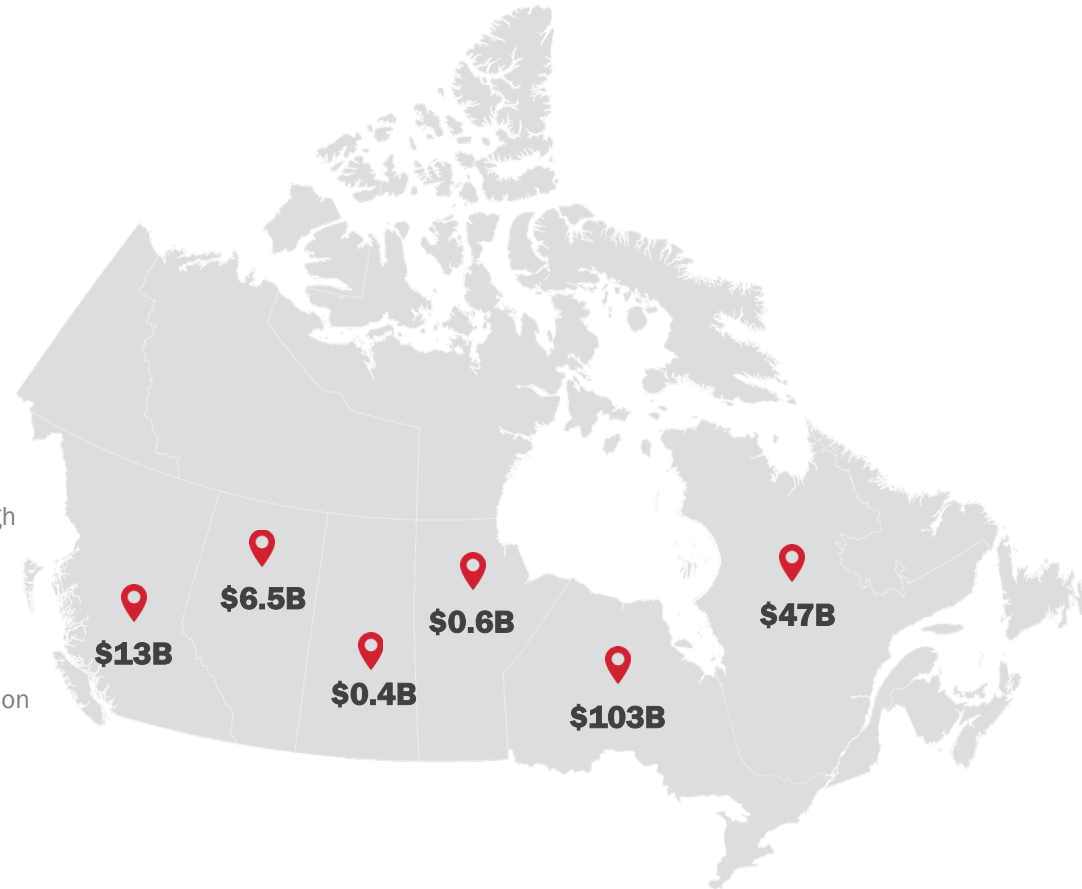
\$35B for the Canada Infrastructure Bank ("CIB") to attract private capital to major infrastructure projects and help build more infrastructure across the country  
Budget 2023 announced that the CIB will invest at least \$10B through its clean power priority area, and at least \$10B through its green infrastructure priority area

### **\$3B** | Supporting Clean Electricity Projects

Budget 2023 proposed to provide \$3 billion over 13 years to recapitalize funding for the Smart Renewables and Electrification Pathways Program to support critical regional priorities and Indigenous-led projects, and other green initiatives

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

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



## Provincial Budgets

### **\$13B** | BC Budget

Transportation investment over 3 years from 2023

### **\$6.5B** | Alberta Budget

Transportation and public transit investment over 3 years from 2023

### **\$0.4B** | Saskatchewan Budget

Transportation investment in 2023

### **\$0.6B** | Manitoba Budget

Transportation investment in 2023

### **\$103B** | Ontario Budget

\$99B in Transit and Transportation investment over 10 years from 2023, including \$28B in road and highways and \$71B in transit

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

### **\$47B** | Quebec Budget

Investment in road and transit infrastructure over 10 years from 2023 including \$32B investment in roads

<sup>^</sup> Source: Infrastructure Canada, Canada Infrastructure Bank Investing in New Infrastructure Growth Plan 2020, Ontario Budget 2023, BC Budget 2023, Alberta Budget 2023, Quebec Budget 2023, Manitoba Budget 2023, Saskatchewan Budget 2023  
<sup>#</sup> Source: Federal Budget 2023

# Strong Public and Private End Market Demand

CURRENT MAJOR PROJECT PURSUITS\* INCLUDE:

Contrecoeur Terminal	P3	QC
Highway 3 Expansion Project		ON
Gardiner Express Rehabilitation (Section 2)		ON
Surrey Langley SkyTrain Guideway	DBF	BC
Surrey Langley SkyTrain Stations	DB	BC
Deerfoot Trail		AB
Green Line LRT (Phase 1)	DBF	AB
Capital Line South Extension (Phase 1)		AB
U.S. Virgin Islands Airport Modernization	P3	VI
I-405, Brickyard to SR 527 Improvement Project		WA

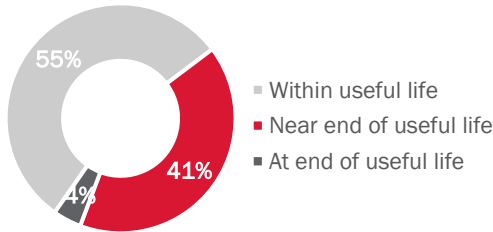
Diversified series of pursuits by sector and geography | Opportunities strongly correlate with Aecon’s experience and sustainability goals

## Strong Private Sector End Market Demand<sup>^</sup>

SUPPORTED BY NORTH AMERICAN UTILITY INVESTMENTS

### ELECTRIC UTILITY DISTRIBUTION

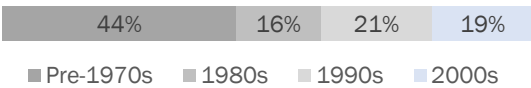
**Aging Electric Infrastructure**  
Distribution infrastructure age relative to useful life



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

### GAS UTILITY DISTRIBUTION

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

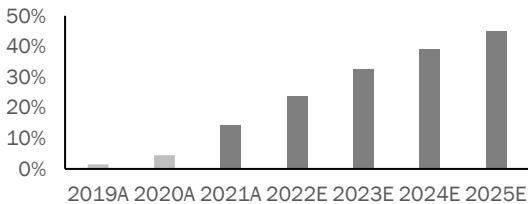


Nearly **45% of gas distribution infrastructure in North America** is near or at the end of its useful life of 40 years

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

### TELECOMMUNICATIONS

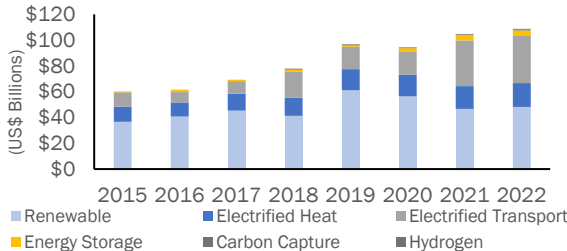
**North American 5G Adoption Rate**  
Percentage of Wireless Connections on 5G



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

### ENERGY TRANSITION

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





# Valuable Concessions and O&M Portfolio



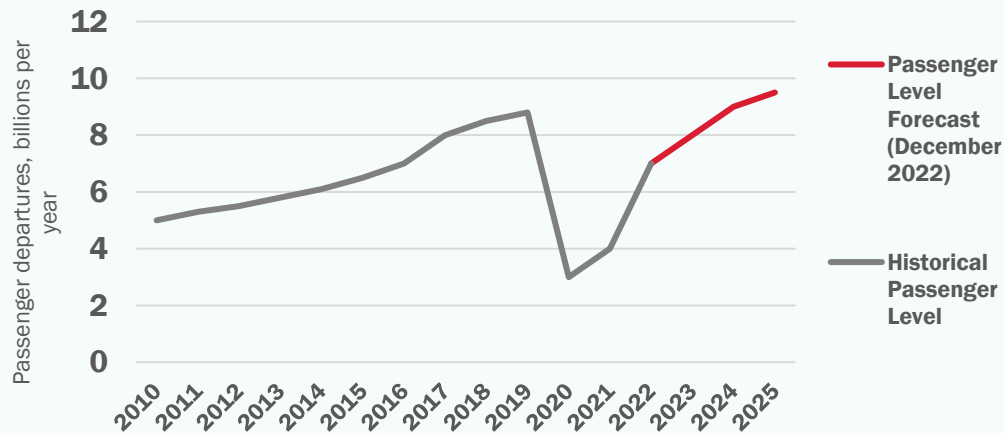
## Bermuda L.F. Wade International Airport

100% equity ownership and concession<sup>∞</sup>

New terminal opened in December 2020

30-year operations and maintenance concession to 2047

### Global Air Passenger Departure Forecast<sup>^</sup>



International Airport with exclusive rights to serve all commercial, private and cargo air traffic in Bermuda



Majority of revenue generated through regulated, fixed fee mechanism, adjusted to inflation; downside projection via Minimum Revenue Guarantee



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



**2021 DFNI Americas Award for the Most Supportive Approach to Retail for Skyport\***



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



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



## Canadian LRTs

- 30-year maintenance concessions on Eglinton, Finch and Waterloo LRTs
- Availability-based payments with revenue risk mitigated by provincial transit counterparties
- Proven team currently bidding on other Canadian transit projects



## GO On-Corridor Works

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



## Gordie Howe International Bridge

- 30-year operations and maintenance concession
- Availability-based payments with revenue risk mitigated by Canadian Federal Government



## Oneida Energy Storage Facility

- 20-year agreement with IESO (with additional 5 years of uncontracted revenue) for electricity storage services
- Availability-based payments for capacity services, as well as revenue from energy sold into Ontario electricity grid and operating reserve

<sup>^</sup> Source: [www.iata.org](http://www.iata.org).

\* Skyport is responsible for the Bermuda L.F. Wade International Airport's operations, maintenance and commercial functions and is 100% owned by Aecon Concessions

<sup>&</sup> Canadian Council for Public-Private Partnerships (CCPPP)

<sup>#</sup> Awarded by Airport Council International (ACI) World

<sup>∞</sup> 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.






# Concessions Experience in Infrastructure Development

- ✔ Proven capability to develop, construct, finance and operate diverse infrastructure concessions in Canada and internationally
- ✔ Solutions-based, experienced partner to international construction firms, governments and financial institutions
- ✔ Experienced in technology and systems integration in transit, tolling and airport infrastructure
- ✔ Provides for long-term cash flow opportunity with flexibility to monetize interests for future development projects
- ✔ Focused on decarbonization, energy transition and sustainability opportunities where prior Concessions experience can be leveraged

## CAPABILITIES

P3	PUBLIC PRIVATE PARTNERSHIPS
	STRATEGIC PARTNERING
	PROJECT DEVELOPMENT
	PROJECT FINANCING
	OPERATIONS & MAINTENANCE

## GROWTH OPPORTUNITIES

	CANADIAN TRANSPORTATION & TRANSIT P3s
	RENEWABLE ENERGY / ENERGY STORAGE
	UTILITIES
	INDIGENOUS PARTNERSHIPS
	INTERNATIONAL (AIRPORTS & OTHER)



# 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 <sup>+</sup>	2023	2022	Change <sup>+</sup>
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 % <sup>&amp;</sup>	6.0%	6.2%	▼ 20 bps	7.5%	8.8%	▼ 130 bps
Adjusted EBITDA <sup>@</sup>	24.6	20.6	▲ 19%	223.2	238.7	▼ 6%
Adjusted EBITDA Margin % <sup>*</sup>	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) <sup>@</sup>	6,002	6,423	▼ 7%	6,002	6,423	▼ 7%

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

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

<sup>\*</sup> This is a non-GAAP financial ratio. Refer to page 2 in this presentation.

<sup>&</sup> This is a supplementary 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
<b>Total Cash<sup>^</sup></b>	<b>118.4</b>
Net Working Capital <sup>†</sup>	484.8
Long-Term Debt <sup>∞</sup>	
- Finance Leases	162.0
- Equipment & Other Asset Loans	60.7
LT Debt excluding Convertible Debentures <sup>∞</sup>	222.7
Convertible Debentures (Face Value) due Dec. 2023 (5.0%)	184.0
<b>Total LT Debt plus Convertible Debentures<sup>∞</sup></b>	<b>406.7</b>
LT Debt to Q1 2023 TTM Adjusted EBITDA <sup>&amp;∞@+</sup>	
- Excluding Convertible Debentures	1.0 x
- Including Convertible Debentures	1.8 x
Net Debt to Q1 2023 TTM Adjusted EBITDA <sup>&amp;∞@+</sup>	2.8 x
Debt to capitalization percentage <sup>α</sup>	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

<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. 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.

<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 24 in this presentation for the composition of Net Working Capital and a quantitative reconciliation to the most comparable financial measure.

<sup>α</sup> 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
<b>Operating profit (loss)</b>	<b>112.4</b>	<b>119.4</b>
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 <sup>@</sup>	57.2	55.9
<b>Adjusted EBITDA<sup>@</sup></b>	<b>223.2</b>	<b>238.7</b>
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 <sup>*</sup>	(53.9)	(52.8)
<b>Free Cash Flow<sup>~#</sup></b>	<b>(110.2)</b>	<b>(179.5)</b>
<b>Cash Flow From Operations</b>	<b>(79.3)</b>	<b>(143.1)</b>
<b>Cash Flow From Investing Activities</b>	<b>(24.1)</b>	<b>(37.5)</b>
<b>Cash Flow From Operations &amp; Investing Activities</b>	<b>(103.4)</b>	<b>(180.6)</b>

<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 2023 MD&A) and distributions from projects accounted for using the equity method.

<sup>~</sup> 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.

<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 24 in this presentation for a quantitative reconciliation to the most comparable financial measure, being Cash Flow From Operations & Investing Activities.

<sup>@</sup> This is a non-GAAP financial measure or non-GAAP ratio. Refer to page 2 in this presentation.



# 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. The sale of ATE closed on May 1, 2023, and the closing of Bermuda transaction 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.



# Sustainability

We seek to actively manage and aim to improve our environmental, social and governance performance & identify opportunities in sustainability that we expect to 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 on an Intensity Basis<sup>^</sup> as compared to 2020</li><li>2050 – Net-Zero for Direct and Indirect CO<sub>2</sub> Emissions</li></ul> <p>14% reduction in emissions intensity since 2020</p> <p>Exploring low carbon options for vehicles and construction equipment</p> <p>Committed to greening Aecon's 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>Operating joint ventures with 2 First Nations in Alberta &amp; 3 in Ontario</li></ul> <p>Aecon's Reconciliation Action Plan</p> <ul style="list-style-type: none"><li>Engaging in reconciliation by working in unison with Indigenous Peoples</li><li>\$200M+ in goods &amp; services procured from the Indigenous economy in 2022</li></ul>	<p>2022 Sustainability Report</p> <p>Commitment to UN Sustainable Development Goals</p> <div></div> <p>First Canadian construction company to adopt a sustainability-linked credit facility tied to ESG objectives</p> <p>One of Canada's Best 50 Corporate Citizens (Corporate Knights 2022)</p>



# Working Towards Net Zero Construction

Today, the construction industry is responsible for about 10% of greenhouse gas emissions worldwide<sup>1</sup>, 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:

<sup>1</sup> The 2020 Global Status Report for Buildings and Construction.

<sup>2</sup> See 2021 Sustainability Report for some of our past initiatives.

14%

direct, intensity-based  
reduction to date

## NOTABLE SUSTAINABILITY INITIATIVES

2022



EV Charger Installations  
on Aecon Properties



GeoExchange  
Installation



Low-Carbon  
Concrete Pilot



Zero-Emission  
Wheel Loader Pilot

2020 & 2021<sup>2</sup>



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

30%

direct, intensity-based  
reduction target

## 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





# APPENDIX

# Operating Profit & Adj. EBITDA Contribution By Segment

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

## Operating Profit (\$ Millions)

	Q1 2023	Q1 2022	% CHANGE
Construction	16.2	1.3	▲ 1146%
Concessions	2.4	1.5	▲ 60%
<b>TOTAL ^</b>	<b>5.6</b>	<b>(9.6)</b>	<b>▲ 158%</b>

	Q1 2023 TTM	Q1 2022 TTM	% CHANGE
Construction	135.8	140.7	▼ 3%
Concessions	23.0	18.5	▲ 24%
<b>TOTAL ^</b>	<b>112.4</b>	<b>119.4</b>	<b>▼ 6%</b>

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

	Q1 2023	Q1 2022	% CHANGE
Construction	22.3	19.3	▲ 16%
Concessions	15.0	13.6	▲ 10%
<b>TOTAL ^</b>	<b>24.6</b>	<b>20.6</b>	<b>▲ 19%</b>

	Q1 2023 TTM	Q1 2022 TTM	% CHANGE
Construction	195.5	209.4	▼ 7%
Concessions	72.4	67.7	▲ 7%
<b>TOTAL ^</b>	<b>223.2</b>	<b>238.7</b>	<b>▼ 6%</b>

## Operating Profit Margin %

	Q1 2023	Q1 2022	BPS CHANGE
Construction	1.5%	0.1%	▲ 140
Concessions	nmf <sup>#</sup>	nmf <sup>#</sup>	nmf <sup>#</sup>
<b>TOTAL ^</b>	<b>0.5%</b>	<b>(1.0%)</b>	<b>▲ 150</b>

	Q1 2023 TTM	Q1 2022 TTM	BPS CHANGE
Construction	2.9%	3.4%	▼ 50
Concessions	nmf <sup>#</sup>	nmf <sup>#</sup>	nmf <sup>#</sup>
<b>TOTAL ^</b>	<b>2.3%</b>	<b>2.8%</b>	<b>▼ 50</b>

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

	Q1 2023	Q1 2022	BPS CHANGE
Construction	2.0%	2.0%	No change
Concessions	nmf <sup>#</sup>	nmf <sup>#</sup>	nmf <sup>#</sup>
<b>TOTAL ^</b>	<b>2.2%</b>	<b>2.1%</b>	<b>▲ 10</b>

	Q1 2023 TTM	Q1 2022 TTM	BPS CHANGE
Construction	4.1%	5.1%	▼ 100
Concessions	nmf <sup>#</sup>	nmf <sup>#</sup>	nmf <sup>#</sup>
<b>TOTAL ^</b>	<b>4.6%</b>	<b>5.7%</b>	<b>▼ 110</b>

^ After corporate costs and eliminations.

# Not Meaningful

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

\* This is a non-GAAP ratio. Refer to page 2 in this presentation.

# Construction Q1 2023 Results

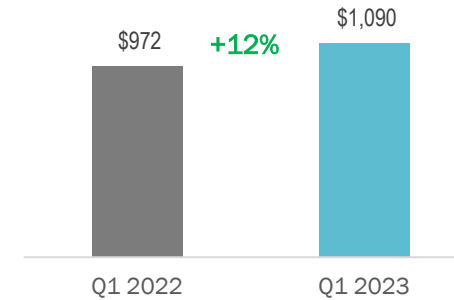
**Revenue** up by **\$119M**, or **12%**, quarter-over-quarter

- ▲ \$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

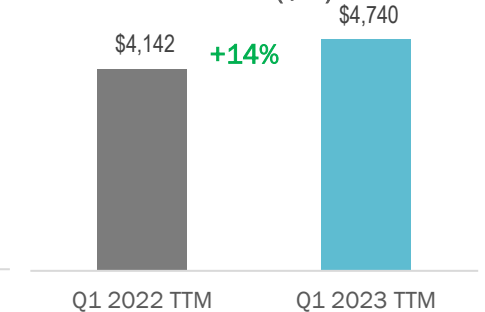
## Q1 2023\*

### Revenue (\$M)

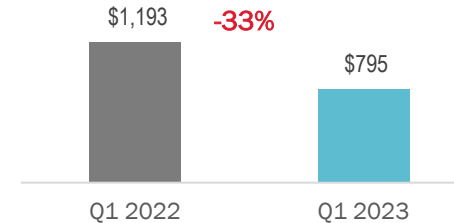


## Q1 2023 TTM\*

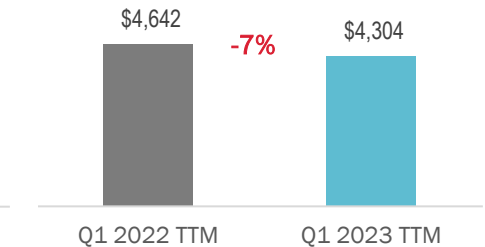
### Revenue (\$M)



### 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<sup>®</sup>** 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.<sup>+</sup>

▲ Higher volume in nuclear operations.

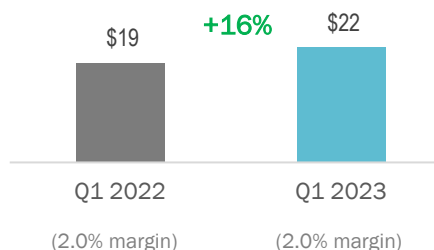
▼ Lower gross profit in civil operations due to negative gross profit of \$2.8 million in the first quarter of 2023 versus a gross profit of \$3.9 million in the same period last year from one of the four fixed price legacy projects.<sup>+</sup>

▲ Operating profit impacted by increase in gains on the sale of property and equipment of \$10.4 million in utilities operations.

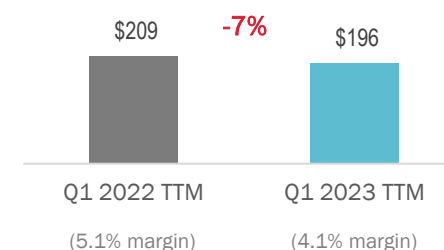
Q1 2023\*

Q1 2023 TTM\*

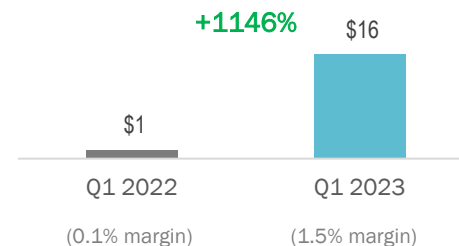
Adj. EBITDA (\$M)



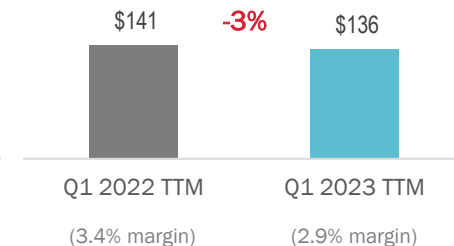
Adj. EBITDA (\$M)



Operating Profit (\$M)



Operating Profit (\$M)



# Concessions Q1 2023 Results

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

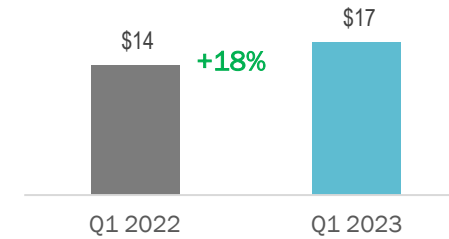
Primarily due to an increase in commercial flight operations at the Bermuda International Airport.

**Adjusted EBITDA<sup>®</sup>** up by **\$1.4M**, or **10%**, quarter-over-quarter and  
**Operating Profit** up by **\$0.9M**, or **60%**, quarter-over-quarter

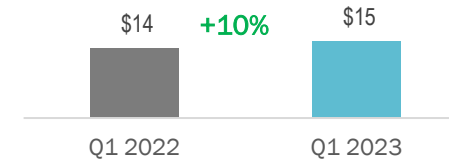
Primarily from an increase in management and development fees as well as an improvement in operating results from the Bermuda International Airport.

## Q1 2023\*

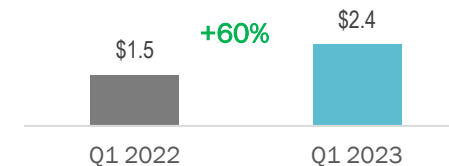
Revenue (\$M)



Adj. EBITDA (\$M)

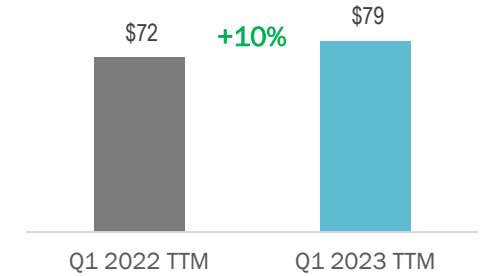


Operating Profit (\$M)

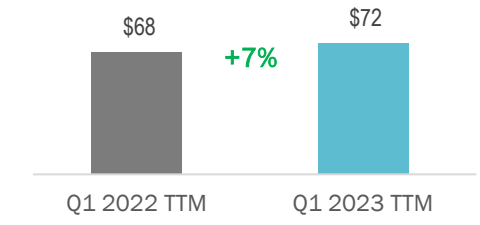


## Q1 2023 TTM\*

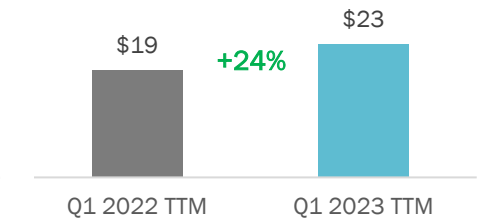
Revenue (\$M)



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.

# 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
<b>Less</b>	
Trade and Other Payables	1052.7
Provisions	17.2
Deferred Revenue	285.9
<b>Net Working Capital</b>	<b>484.7</b>

## 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
<b>Equity Project EBITDA</b>	<b>57.2</b>	<b>55.9</b>

## Free Cash Flow Reconciliation (\$M)\*

	Q1 2023 TTM	Q1 2022 TTM
<b>Profit Before Income Taxes</b>	<b>54.4</b>	<b>73.3</b>
Finance cost	62.2	46.6
Finance income	(4.2)	(0.6)
<b>Operating Profit</b>	<b>112.4</b>	<b>119.4</b>
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 <sup>®</sup>	57.2	55.9
<b>Adjusted EBITDA<sup>®</sup></b>	<b>223.2</b>	<b>238.7</b>
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	-
<b>Free Cash Flow before Working Capital and net JV Impact</b>	<b>130.0</b>	<b>148.6</b>
Change in other balances related to operations	(186.3)	(275.3)
Equity Project EBITDA <sup>®</sup>	(57.2)	(55.9)
Distributions from projects accounted for using the equity method	3.2	3.1
<b>Free Cash Flow</b>	<b>(110.2)</b>	<b>(179.5)</b>

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

	Q1 2023 TTM	Q1 2022 TTM
<b>Free Cash Flow</b>	<b>(110.2)</b>	<b>(179.5)</b>
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
<b>Total Reconciling Items</b>	<b>6.8</b>	<b>(1.1)</b>
<b>Cash Flow from Operations</b>	<b>(79.3)</b>	<b>(143.1)</b>
<b>Cash Flow from Investing Activities</b>	<b>(24.1)</b>	<b>(37.5)</b>
<b>Cash Flow from Operations and Investing Activities</b>	<b>(103.4)</b>	<b>(180.6)</b>

<sup>®</sup> This is a non-GAAP financial measure. Refer to page 2 in this presentation.

\* Totals may not add due to rounding.



# Capital Markets Overview

## ARE.TSX Statistics

as of May 1, 2023

**\$12.60**

Share Price

**5.9%**

Dividend Yield

**61.5 Million**

Shares Outstanding

**~\$0.8 Billion**

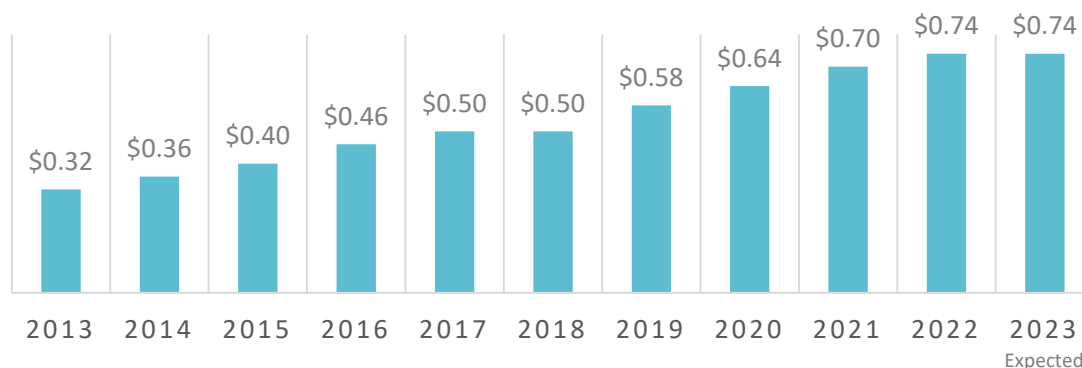
Market Capitalization

**0.8 Million (\$8.9 Million)**

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

**\$8.29 / \$15.17**

52 Week Low / High



Annual Dividend History

## Analyst Coverage<sup>^</sup>

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CIBC Capital Markets	Jacob Bout	(416) 956-6766
Desjardins Securities	Benoit Poirier	(514) 281-8653
Industrial Alliance Securities	Naji Baydoun	(514) 375-2904
Laurentian Bank Securities	Jonathan Lamers	(416) 577-1755
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Paradigm Capital	Alexandra Ricci	(416) 361-6056
Raymond James	Frederic Bastien	(604) 659-8232
RBC Dominion Securities	Sabahat Khan	(416) 842-7880
Stifel GMP	Ian Gillies	(416) 943-6108
TD Securities	Michael Tupholme	(416) 307-9389

5 Buy / Outperform Recommendations

6 Hold / Sector Perform Recommendations

2 Restricted

\$16.09 Average Target Price

<sup>^</sup> The views of analysts do not necessarily represent the views of Aecon



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