

Aecon Group Inc.
2019 Annual General Meeting

Tuesday, June 4, 2019

Remarks by:

John M. Beck, Executive Chairman

Jean-Louis Servranckx, President & CEO

20 Carlson Court, Toronto

(As Delivered)

JOHN M. BECK

It is my pleasure to now say a few words about a long-time board member and indeed, dear friend who has played a significant role in Aecon's evolution. Michael A. Butt first was a part of predecessor company Armbro's board and then joined Aecon's board in 1994. Yes, that marks 25 years, and other than me, he has been one of Aecon's longest-standing board members.

Wisdom, unparalleled industry experience, and an entrepreneurial spirit are the hallmarks of Michael's leadership on the Board. As you can imagine, we have experienced big wins along the way, and of course have met with some challenges – a proxy fight, changing markets, and economic headwinds. Throughout, Michael was a stead example of good governance – acting always in the best interest of all shareholders.

Honoured for his distinction in engineering, and at the helm of successful Buttcon Construction company, Michael gave of his construction expertise generously.

On behalf of my colleagues on Aecon's executive management team and the entire Board of Directors, we thank Michael for his decades of commitment and service.

At the end of December, we also bid farewell to The Honourable Brian V. Tobin, following his appointment as Vice-Chair of BMO Financial Group. Brian joined Aecon's board in 2005, serving as Chairman of the Board for a period of time and closing his tenure as Lead Director.

I must say, during his 13 years on the Board my fellow board members and I knew that we were fortunate to have such a Canadian iconic leader on our team. Brian was a guiding force in driving Aecon's growth and diversification and his invaluable insights helped to shape our strategic path. Brian, I assure you, your legacy of strong governance, Canadian leadership and unremitting pursuit of greater shareholder value remain to this day. On behalf of myself and the Board, we are grateful for all of your contributions and dedication. Mostly, I am very happy you have continued to be an Aecon supporter and friend.

Also, welcome to previous board members Austin Beutel and Rolf Kindbolm.

I'm also pleased to welcome Ms. Deborah Stein and Mr. John Brace to Aecon's Board of Directors. Debbie, please stand up. They bring with them widespread experience, breadth of knowledge and insight -- further augmenting Aecon's Board of Directors.

And, welcome again to our other board members: Joe Carraba, Susan Wolberg-Jenah, Tony Franceschini, JD. Hole and Eric Ronsefeld. I'll now pass it over to Jean-Louis Servranckx.

And, now I'll hand it over to our great CEO, Jean-Louis Servranckx.

JEAN-LOUIS SERVLANCKX

I second John's thoughts - thank you Michael and Brian for your service to Aecon and welcome to the board Deborah and John. It is my pleasure to be here today for a few milestones - my first Annual General Meeting, and the first AGM we've held here at our newly renovated head office. I'm so pleased our employees can join us either here in the aptly named Community Hub or through the webcast. Bonjour.

I'll begin by providing a report to you, our shareholders, on Aecon's financial and operational performance in 2018. Then, I'll delve into Aecon's strategic priorities, before handing it over to John to speak about Aecon's outlook and our plans to capitalize on the significant opportunities ahead.

As we always do at Aecon, let's ensure we have safety top-of-mind. This past year, Aecon appointed John Green as Senior Vice President and Chief Safety Officer. John's first week on the job was, quite fittingly, Aecon's Safety Week in October. Bringing with him more than 35 years of operational excellence, John has started to further evolve Aecon's **Safety First** culture – our number one core value.

Aecon has seen a continued improvement in safety performance, but we remain vigilant in continuing our efforts to drive occurrences with high potential even lower. Moving forward, we are focused on high risk tasks with a view of having absolute clarity around how we go to work in high risk situations. At Aecon, we see that the changing world of work requires a new view to be taken of safety. A view that sees people as the solution, not the problem.

Safety is the capacity of the business to get things right under varying conditions – it is not simply the absence of accidents. We are committed to work on the performance pressure created by overly complicated industry systems to remain an industry leader in safety performance.

Shifting gears now to our principal objective...increasing and continuing to deliver shareholder value. This, we are focused on.

Over the course of the last few years, we have made substantial progress to deliver consistent performance through scale in core capabilities, end-market diversity and operational excellence.

We are incredibly proud of all that was accomplished in 2018 – a banner year for Aecon with records on many fronts, including:

- ✓ Year-end backlog of \$6.8 billion;
- ✓ Revenue of \$3.3 billion;
- ✓ Adjusted EBITDA of \$207 million; and
- ✓ New contract awards of \$5.8 billion.

As a further illustration of the confidence in Aecon's continued performance, Aecon's Board of Directors approved an increase of 16 per cent to the quarterly dividend to reach 14.5 cents per share from 12.5 cents per share previously.

And, we continue to build off this success with solid results reported for the first quarter of 2019 including:

- ✓ Year-over-year increases in revenue and Adjusted EBITDA;
- ✓ Our backlog at the end of Q1 2019 was \$6.7 billion which is on-par with year-end 2018 backlog of \$6.8 billion; and
- ✓ Revenue of \$650 million that was 20 per cent higher than the same period last year.

Aecon's purpose is comprised of two P's – our people and the projects we build.

I've had the opportunity to meet my Aecon teammates across the country and beyond, in the many facets of our business. They are all builders, each in their own way. They are committed to safety, dedicated to continuous learning, and passionate about the work we do. It is my pride to see early in the morning on my way to work, that the first boots on the ground are Aecon employees on the Eglinton Crosstown LRT project. Our people are the best in the business.

In this spirit, we launched an Employee Share Unit Plan – gifting permanent Canadian employees with Employee Share Units and giving them the opportunity to purchase share units. The response to this opportunity has been overwhelming. It is important to the Board (and for me particularly) that employees are owners of Aecon. This creates a direct alignment between our employees and Aecon's shareholder value.

We also recognize the importance of continuous professional development. Through Aecon's very own learning centre – Aecon University, over 40,000 course completions were accomplished by employees, representing nearly 400,000 training hours. We also recently held two Spring Conferences – one in the east and one in the west, bringing Aecon employees together, so that we all are on the same page when it comes to how we are going to meet our goals. And, we throw in some inspiration in the mix.

One of the most inspiring people initiatives at Aecon is the Aecon Women's Inclusion Network (AWIN) – a grassroots network for female employees of Aecon and their allies focused on building community, driving career development and championing the advancement of women in our industry.

AWIN has a very robust and thriving council, and this past year has initiated 12 impactful programs including the Shoebox Project, a screening of the engineering film "Dream Big" to inspire young girls and women to pursue a career in STEM, the Habitat for Humanity Women's Build, and most recently Aecon became a member of Catalyst -- a global non-profit working with some of the world's most powerful CEOs and leading companies to build workplaces that work for women.

Integral to our workforce management plan is promoting career opportunities for women in the trades. The Aecon Women in Trades (AWIT) Program is a newly formed program dedicated to helping women kickstart their careers in construction. Led by Aecon Utilities, the AWIT program offers women hands-on training, mentorship and field experience through placements in roles such as directional drilling, fibre optic splicing and general labour.

I'm pleased to announce that alongside our valued program partner, LiUNA, we welcomed our first 12 women into the program just a couple of weeks ago. I look forward to seeing all that this program accomplishes.

As the infrastructure market has evolved, so has Aecon. People are directly connected to a project's success. I'm speaking about stakeholders... indigenous peoples, learning institutions, businesses, various levels of government, community groups, the general public, and the list goes on.

This connectedness – we like to call it Connecting Communities. The infrastructure Aecon is building, is connecting communities, and people across Canada and beyond. If you really think about Aecon's purpose -- what we do impacts families every day. The nuclear and hydroelectric facilities we build light homes and business, the roads and highways we construct provides the foundation to get people where they need to be, the urban transit systems get people moving in an environmentally sustainable way, and the fibre and telecommunications networks we install allow for the exchange of information and entertainment. We are building the fabric of Canadian communities and beyond.

Aecon's current roster of projects is diversified across our prime segments and well-balanced by both size and duration. Projects awarded in 2018 going from west to east include:

- **The Second Narrows Water Supply Tunnel project** in Vancouver, BC will ensure the reliable delivery of drinking water for Metro Vancouver and includes construction of seismic standard shafts, connected by a 1,000-metre tunnel. The north shaft work has commenced and the project remains on schedule for completion in 2024.
- **Spreads 3 and 4 of the Coastal GasLink Pipeline project**, northeast of Prince George, British Columbia will see Aecon construct 123 kilometres of pipeline for Spread 3 and 74 kilometres of pipeline for Spread 4. Early works are now underway, and construction is set to start July 2020.
- **The Site C Generating Station and Spillways civil works project** in Fort St. John, BC, has been progressing well for just over one year. To date, concrete works are well underway, and structural steel is currently being erected in the service bay. The JV team has worked an impressive 1 million hours without a Lost-Time-Injury.

- **The Peace River Bridge Twinning project** in Alberta will significantly improve access to key resource industries in northern Alberta. Now over 55% complete, and on schedule, the project has accomplished the conclusion of stage 1 in-river work and completion of structures and highway sections which are critical to traffic staging.
- **The Enbridge Line 3 Replacement project, Spreads 8 and 9** in Manitoba is a key project for Canadian oil production. The project involved constructing 92.2 kilometres of pipeline for Spread 8 and 96.5 kilometres of pipeline for Spread 9. After reaching mechanical completion in December 2018, final remediation will be finished this summer. This project achieved excellent commercial performance and extraordinary production, averaging over 2.9 kilometres of pipe installed per day – all with 1.4 million hours worked without a Lost-Time-Injury.
- **The Fuel Channel and Feeder Replacement (FCFR) project at the Bruce Nuclear Generating Station** in Ontario is the centrepiece of the Major Component Replacement (MCR) program. Aecon is also playing a key role in the Steam Generator Replacement (SGR) for Bruce Power. Planning phases of both of these projects are progressing well.
- **The Gordie Howe International Bridge** between Ontario and Michigan is a once-in-a-generation undertaking with the construction of a 2.5-kilometer cable-stayed bridge with six lanes, two approach bridges as well as Canadian and U.S. Ports of Entry. Work near the U.S. seawall began in April and test shaft work is underway in both Canada and the U.S., clearing the path for tower foundation work later this summer. With expected completion by the end of 2024, this project will promote economic development in the region and create thousands of jobs and benefits to communities on both sides of the border.
- **The F.G. Gardiner Expressway** was originally completed in 1966 by Aecon's predecessor, The Foundation Company, and has been the city's major arterial roadway ever since. We are pleased to be leading the way in rehabilitating Section 1 of this important infrastructure, using an accelerated bridge construction method to complete the work as quickly as possible and minimize disruption to the travelling public, ensuring daily access to the expressway that will remain open throughout construction.
- **The Finch West LRT project** in Toronto, Ontario will significantly enhance Toronto's transit with an 11-kilometre, 18 stop LRT system. Preparatory work continues, with utilities work across the corridor starting this summer.
- **Le projet de trains légers sur rail du Réseau express métropolitain (connu sous le nom de REM)** à Montréal, au Québec, est un projet transformateur pour les utilisateurs des transports en commun. Les travaux effectués sur les trois

premiers segments avancent toujours bien. Ce système de trains légers sur rail comptera 26 arrêts et sera graduellement mis en service entre 2022 et 2023. **The Réseau express métropolitain (known as REM) LRT project** in Montreal, Quebec is a transformative project for commuters. Work on the first three segments continues to progress well. This LRT system will feature 26 stops and will be put gradually into service between 2022-2023.

With several large-scale projects awarded in 2018, this past year also saw teams across the country and abroad expertly executing some of the most complex projects underway in our industry, including:

- **The Bermuda International Airport Redevelopment project** is now just over two years into construction, with the project nearly 70 per cent complete. Teams celebrated the completion of the roof of the new passenger terminal building this past January, with a traditional Bermudian roof wetting ceremony. Airport operations and services are being delivered at the highest quality and the project continues to track on-time and on-budget for transition to the new terminal in the summer of 2020.
- **The Eglinton Crosstown LRT project** in Toronto, Ontario is the largest P3 LRT project in Canadian history. All 15 stations are under construction while the Mt. Dennis, Keele and Caledonia stations are nearing completion. The 19-kilometre LRT will include 25 stations and stops, enabling transit riders to get across Toronto 60 per cent faster than ever before.
- **The Darlington Nuclear Refurbishment project** in Clarington, Ontario: In 2018, The CanAtom team entered a complex and challenging phase on the Darlington Nuclear Refurbishment project to reassemble the reactor core and return the unit to service. The team produced world-class production rates for the installation of all 480 fuel channels and are on track to successfully install all 960 feeder tubes. Unit 2 remains on schedule to be returned to service in early 2020. In March 2019, OPG announced the approval of full funding for Unit 3 and CanAtom has started the subsequent unit planning process, including incorporating key lessons learned from Unit 2's execution.
- **The Annacis Island Wastewater Treatment Plant project** in BC will meet the needs of a growing Metro Vancouver population for years to come. Now over 65 per cent complete, the team will ultimately pour 58,000 m³ of concrete, weld out 61,000 diameter inches of process piping and complete over 200 plant tie-ins with the aid of the innovative BIM 3D modelling system. This project is on schedule for completion in August 2021.
- **The Kemano Generating Station Second Tunnel project**, southeast of Kitimat, BC, will ensure the long-term reliability of the power supply supporting the state-of-the-art aluminum production business by delivering clean, renewable energy for decades to come. To date, 325 metres of lined tunnel has been bored for the

upstream tunnel and downstream rehabilitation has commenced. Work on the surge tunnel and bifurcation tunnel have also started and will be performed concurrently. Work remains on track for completion by the end of 2020.

- Most recently, in April of this year, an Aecon consortium announced financial close on the **Highway 401 Expansion project** in the Greater Toronto Area. This expansion will ultimately reduce traffic congestion and improve quality of life for commuters along the GTA corridor. With early works underway, construction is expected to commence in the fourth quarter of 2019, with anticipated substantial completion in the fourth quarter of 2022.

As I've outlined all these remarkable projects currently underway, I would be remiss if I didn't mention the completion of **the John Hart Generating Station project** in Campbell River, BC. As the first P3 hydroelectric project in Canada, this project fostered excellence from the outset – from its innovative underground design and commitment to environmental protection, to the teams that safely executed, on-time and on-budget. This critical infrastructure will ensure the supply of reliable electricity to local communities for the years to come.

And, just important are all the smaller to medium sized projects that are really the heartbeat of Aecon.

Each of these projects have something significant in common. They connect communities, homes and people while protecting the ecosystems in which we operate through end-to-end sustainability. At Aecon, we are truly Building the Future.

Embedded deeply in our culture, and reflected daily in our operations, are activities and initiatives that have led the way with respect to Corporate Social Responsibility and Environment, Social and Governance standards.

Across Canada, Aecon continues to work collaboratively with Indigenous communities through our defined principles of partnership. We currently have experience with over 40 Indigenous communities including the Aecon Six Nations JV (A6N) – one of the largest and most successful of these relationships.

Coast-to-coast, our project teams work hard to integrate Indigenous workers and create meaningful relationships with communities local to our projects. Just last month, Aecon signed two new joint ventures in Alberta with Enoch First Nation near Edmonton and Chipewyan Prairie First Nation near Fort McMurray that will benefit each community and see Indigenous workers engaging in skilled trades such as pipefitting and welding. Building on the success of A6N in Ontario, these are partnerships that our Industrial teams in Western Canada will leverage with clients and highlights our strength in fostering mutually beneficial relationships with Indigenous communities across Canada.

I am very PROUD of the teams and experts across the company who have – and continue to – build these projects and partnerships. In my time with Aecon to date, it is evident that our employees are also incredibly proud - proud of the projects we build, proud of Aecon's storied heritage, proud of the positive impact we make in the communities in which we live and work, and proud of our first-rate safety culture.

Thank you to each and every employee who has contributed to creating successful outcomes for our clients.

I'll turn the podium over to John, who will walk us through Aecon's strategic path and outlook, as we move forward. John?

JOHN M. BECK

Thank you Jean-Louis. Merci. I will take this moment to congratulate you on your first Aecon AGM. It has been incredible to witness your genuine, hard driving, and intelligent leadership these past nine months. I'm so happy to have you leading the Aecon team!

Turning our attention now to Aecon's strategic plan and outlook as we move through 2019 and beyond.

We are very focused – focused in the markets we serve, the geographies in which we operate, and focused in how we organize internally and externally. With this in mind, we combined Aecon's Infrastructure and Industrial segments into a singular Construction segment to align with Aecon's new operating management structure.

This allows for integrated project management and systems, to best capitalize on those markets providing the greatest opportunity at any point in time. And, of course, the Concessions segment continues to partner with Aecon's Construction segment to pursue the significant number of Public-Private Partnership (P3) opportunities in Canada, and on a selected basis, internationally.

If we were to define the year forward, it would be about FOCUS. We are focused on four key priority areas over the next four years through to 2022.

1. **Taking Care of Our People:** This means ensuring a safe and sustainable work environment for all of our people while promoting and living Aecon's core values with a focus on career development, performance and accountability.
2. **Improving Project Efficiency** by tackling project complexity, ensuring continuous risk management while maximizing profitability.
3. **Balancing Agility and Process.** We are committed to exceptional delivery across projects of all sizes with a focus on executing with precision and enhancing project efficiencies.
4. **Investing in Tomorrow's Growth.** Steadily and profitably building our international portfolio, augmenting our services with specialty offerings. A key differentiator for Aecon remains our capacity to self-perform while performing operational excellence

on project of all sizes and complexity.

Let's take a closer look at our Operating Sectors which are now focused into the two prime segments of Construction and Concessions – and then, as you can see up on the screen – have key focused operating sectors under each of the segments.

In the Civil East and West operating sectors, we see commitments to increase infrastructure investment by all levels of government across Canada.

The multitude of infrastructure programs by the Federal government include:

- ✓ The \$180 billion Invest in Canada Plan
- ✓ The \$35 billion Canada Infrastructure Bank, plus

Key provincial infrastructure programs including:

- ✓ \$144 billion budget in Ontario
- ✓ \$20 billion commitments in British Columbia, and
- ✓ A \$6 billion budget in Alberta

All to say, Aecon is well positioned to bid on, secure, and deliver some of these major projects.

Our newly formed Urban Transportation Systems sector represents a multi-disciplinary team focused on bidding and delivering integrated urban transportation systems, leveraging our existing LRT project expertise. This team is primed to successfully bid on the upcoming six major multi-billion-dollar project pursuits in BC, Alberta and Ontario.

As a partner-of choice in the nuclear sector, Aecon's capability in nuclear refurbishment, combined with the work secured to-date, and future opportunities on the ongoing fifteen-year Bruce Power Nuclear Generating Station and 10-year Ontario Power Generation Darlington project, provide Aecon with prospects for long-term growth in nuclear.

In the utilities space, we see significant opportunities in utilities for the long-term to align with Aecon's strengths, and are focused on developing a balanced portfolio, a diverse leadership team and we deliver exceptional service.

For Conventional Industrial work, oil and commodity prices have not yet significantly increased and we are focused on recovering in resources, as well as water and wastewater and other industrial opportunities. As a result, it is expected that 2019 conventional industrial fabrication and field work revenue will be about the same as 2018.

The Concessions group leads Aecon's P3 origination and infrastructure development activities, and manages Aecon's interests in several notable infrastructure concessions including the Bermuda International Airport Redevelopment project, the Finch West LRT, Waterloo LRT, Eglinton Crosstown LRT, and the Gordie Howe International Bridge

project. The Bermuda airport project continues to make valuable contributions through Aecon's 100% ownership stake in the project and strong airport performance.

We are confident the Concessions group will continue to build capacity and grow utilizing our integrated Concession/Construction model and well-established relationships with clients and the Canadian government.

On an international basis, Aecon has an impressive track record of building essential infrastructure assets along with valuable concessions. The team has diverse capabilities and is ready to capitalize on select opportunities internationally going forward.

More broadly, the outlook for 2019 remains solid, as Aecon's current strong balance sheet and backlog, robust pipeline of future opportunities valued at an estimated \$30 billion plus, and ongoing concessions are expected to lead to another year of improved like-for-like results, supporting the expectation for continued Adjusted EBITDA margin improvement.

As a Canadian leader in construction and infrastructure development with global expertise, we are focused on being the **#1 Canadian Infrastructure Company**. This means being the preferred contractor for our clients and the top employer for our people.

On behalf of Jean-Louis and myself, and the Board of Directors, we thank you for your continued support. We'll now open the floor to questions.