



STN
TSX: NYSE

Q2 2022 Earnings Presentation



August 11, 2022



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Q2 2022



Valley Metro Tempe Streetcar
Tempe, Arizona, USA

Cautionary statement


This presentation contains non-IFRS and other financial measures and forward-looking statements, including a discussion of our business targets, expectations, and outlook.

We caution readers not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results to differ materially from the targets and expectations expressed.

Non-IFRS and other financial measures do not have a standardized meaning under IFRS, and therefore, may not be comparable to similar measures presented by other issuers. For a discussion of risk factors and non-IFRS measures and other financial measures, see our Q2 2022 Management's Discussion and Analysis available on SEDAR, EDGAR, and stantec.com.




Q2 2022 Highlights



Cardno
UPDATE

- Cost synergies achieved 18 months ahead of schedule
- Financial systems integration on track
- Hundreds of joint projects underway



Top 50
CORPORATE KNIGHTS

- Ranked as one of the Best 50 Corporate Citizens of Canada focused on ESG
- 13th year Stantec has received this recognition



Solid Q2 2022 earnings

Net revenue

\$1.1B | ▲ **23%**

Adj EBITDA⁽¹⁾

\$187M | ▲ **27%**

Adj EBITDA Margin⁽¹⁾

16.7% | ▲ **60bps**

Adj Diluted EPS⁽¹⁾

\$0.83 | ▲ **34%**

Increased earnings
driven by:

Organic Net Revenue Growth⁽¹⁾

9.4%

Acquisition Growth⁽¹⁾

12.4%

Project Margin

54.0%

KEY DRIVERS

Aging and overloaded
infrastructure

Climate change and
sustainability

Production capacity
constraints and
re-shoring domestic
production

(1) Adjusted EBITDA, adjusted EBITDA margin, adjusted diluted EPS, organic net revenue growth, and acquisition growth are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's Q2 2022 Quarter Report)



United States

Gross and net revenue (\$ millions)



□ Gross Revenue ■ Net Revenue

**\$3.5
Billion**

BACKLOG

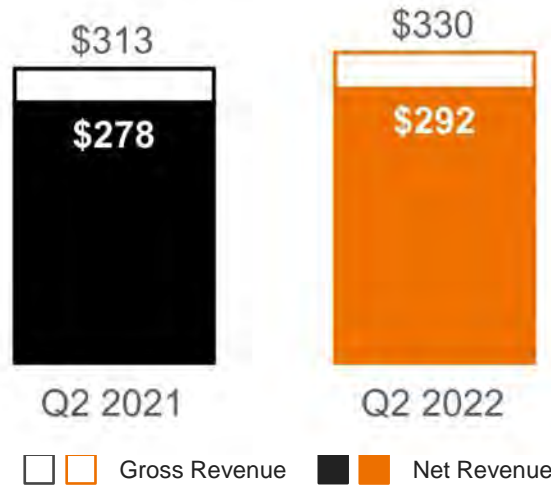
- **9.2%** organic growth; achieved in every business operating unit
- **14.0%** acquisition growth
- Environmental Services – >80% net revenue growth
- Water – double-digit growth
- Buildings – momentum in healthcare, civic, and industrial sectors



Third Creek and Inline Creek Restoration
Incline Village, Nevada, USA

Canada

Gross and net revenue (\$ millions)



**\$1.3
Billion**

BACKLOG

- **4.9%** organic growth
- Environmental Services – double-digit growth
- Infrastructure – strong housing market in Western Canada; recovery efforts for flooding in British Columbia
- Buildings – healthcare, science & technology
- Energy & Resources – energy transition and global food security initiatives



Thompson Rivers University Early Childhood Education Centre
Kamloops, British Columbia, Canada



Global

Gross and net revenue (\$ millions)



□ Gross Revenue ■ Net Revenue

**\$1.0
Billion**

BACKLOG

- **16.7%** organic growth; achieved in every business operating unit
- **27.3%** acquisition growth
- Water – high volumes of asset management and municipal framework projects
- Transportation – roadway advisory and rail infrastructure in Australia and New Zealand
- Mining – strong commodity prices

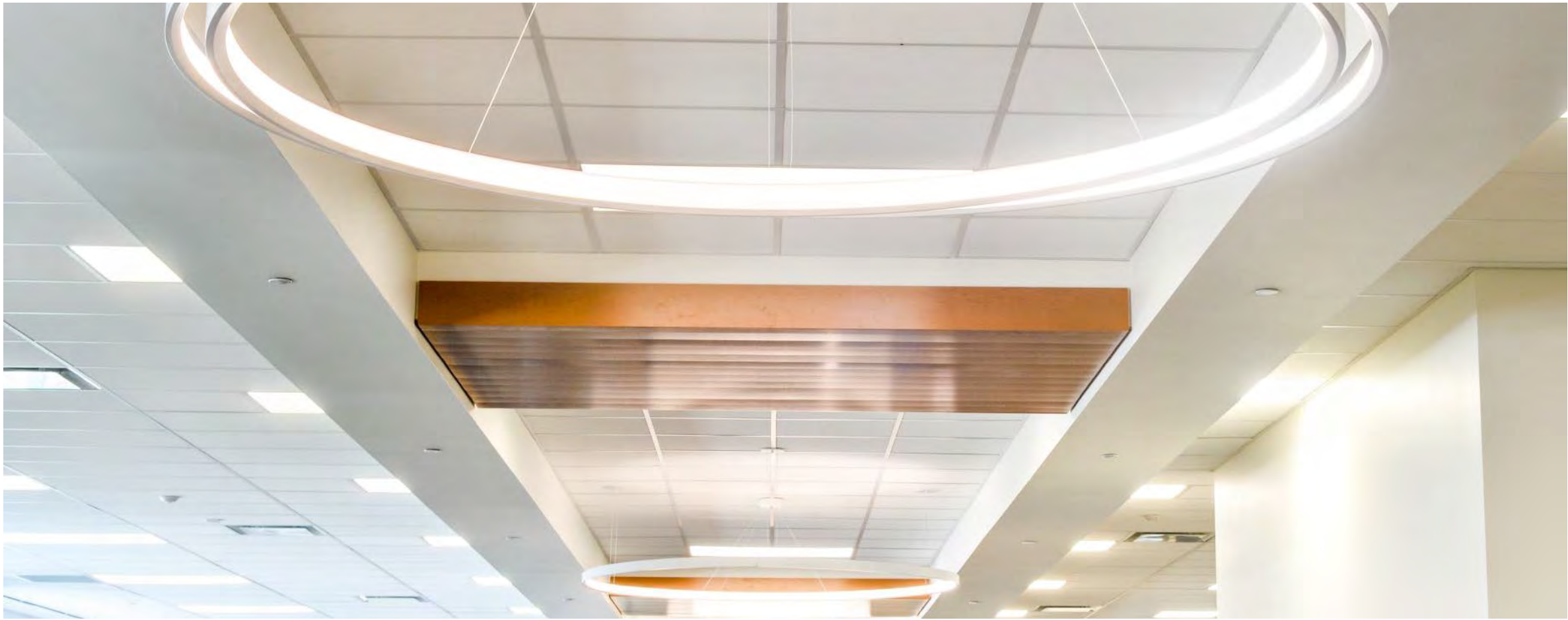


Rossville Dam
Dunedin, New Zealand



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Q2 2022 Financial Performance

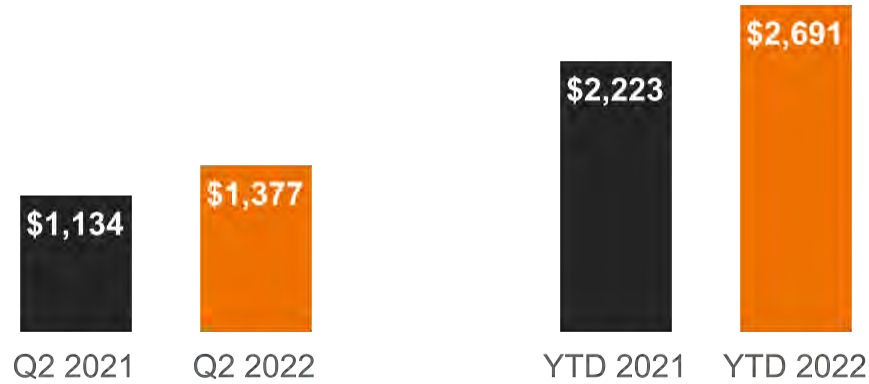
Parks and Facilities Yard Development
Regina, Saskatchewan, Canada

Theresa Jang - Executive Vice President and Chief Financial Officer

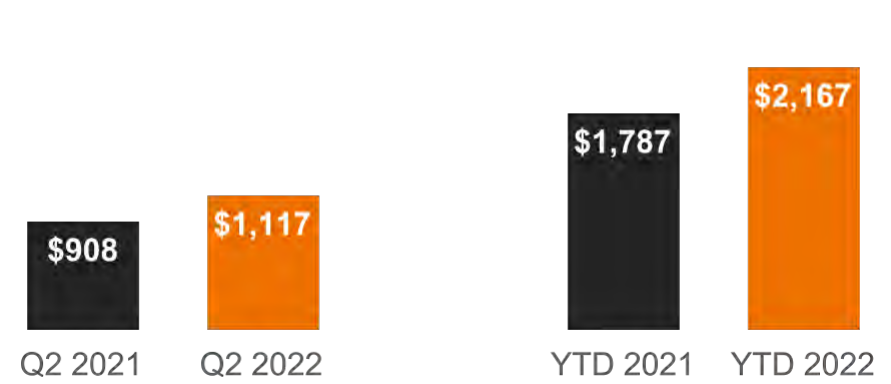


Q2 2022 Financial results

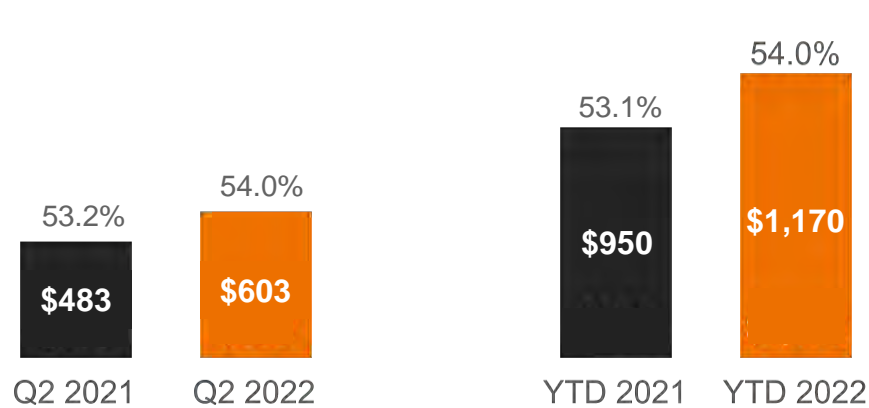
Gross revenue (\$ millions)



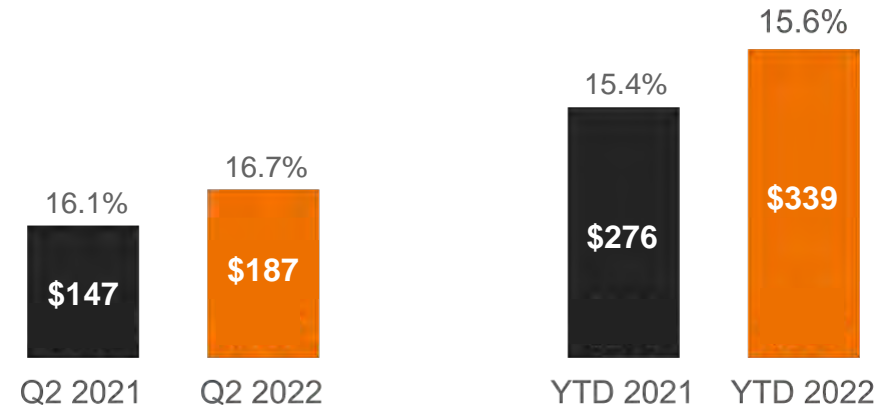
Net revenue (\$ millions)



Project margin (\$ millions and %NR)



Adjusted EBITDA and Adjusted EBITDA margin ⁽¹⁾ (\$ millions & %NR)

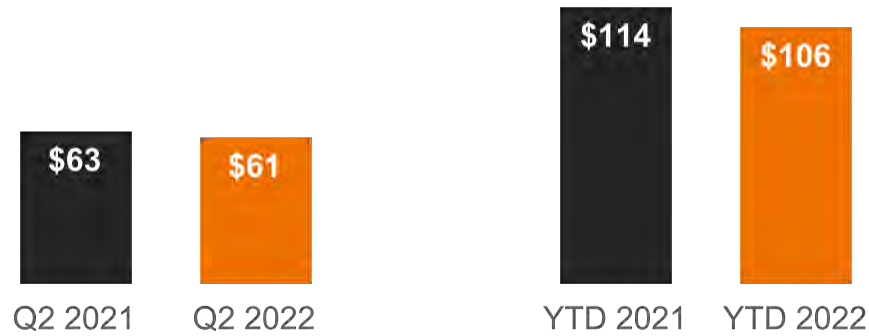


(1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures discussed in the Definitions section of the Q2 2022 MD&A.



Q2 2022 Financial results

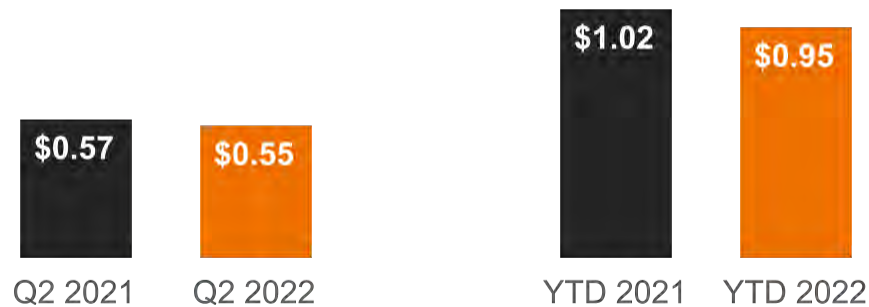
Net income (\$ millions)



Adjusted net income ⁽¹⁾ (\$ millions)



Diluted earnings per share (\$)



Adjusted diluted earnings per share ⁽¹⁾ (\$)

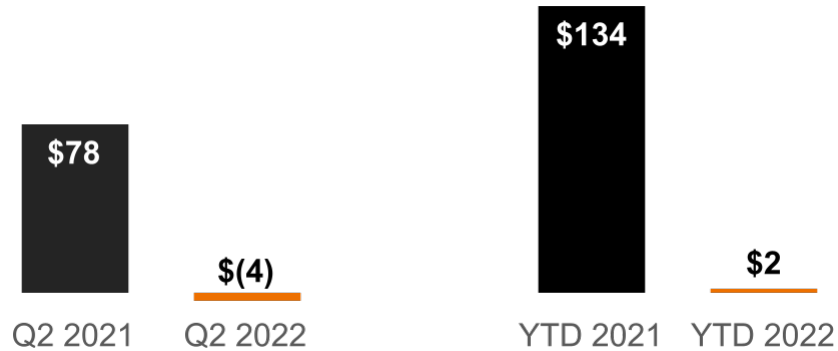


(1) Adjusted Net Income and adjusted diluted earnings per share are non-IFRS measures discussed in the Definitions section of the Q2 2022 MD&A.

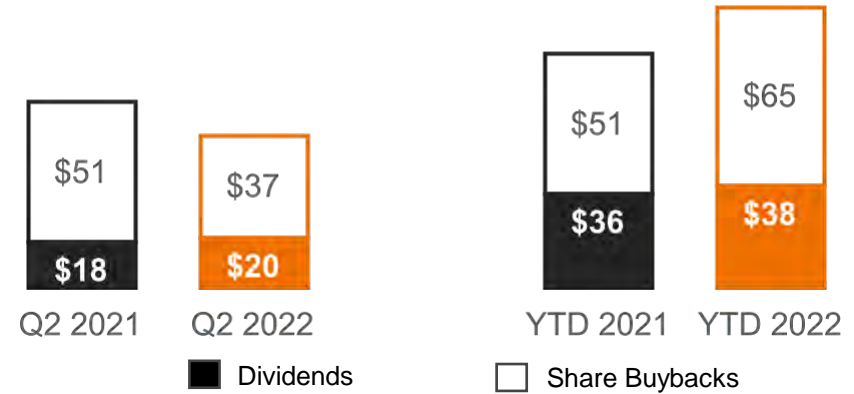


Liquidity and capital resources

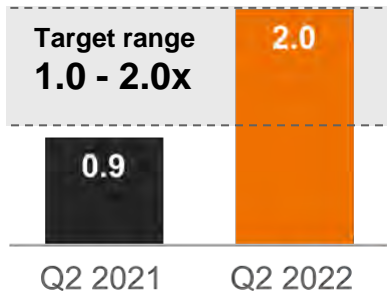
Operating cash flow (\$ millions)



Capital returned to shareholders (\$ millions)



Net debt to adjusted EBITDA ⁽¹⁾



Days sales outstanding ⁽¹⁾



(1) Net debt to adjusted EBITDA and days sales outstanding are non-IFRS measures discussed in the Definitions section of the Q2 2022 MD&A.



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Q2 2022

Doss Elementary School
Austin, Texas USA

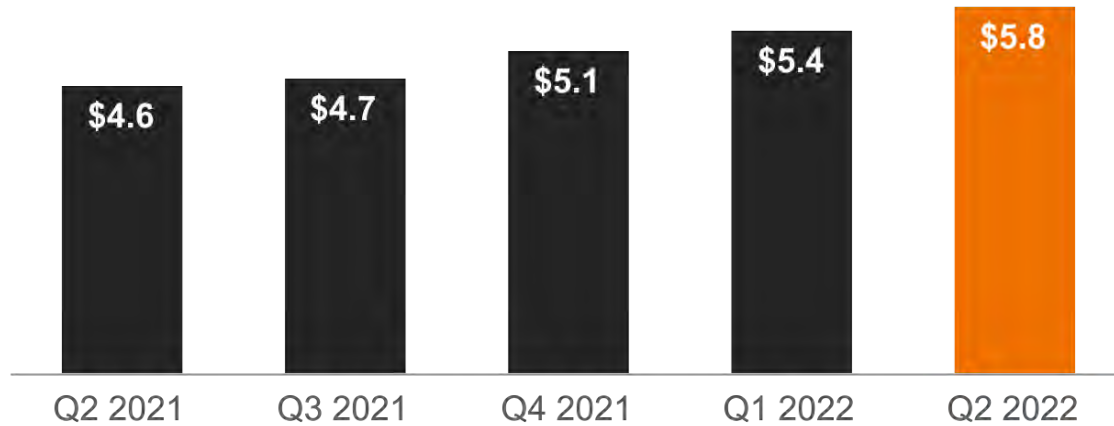
Backlog, Major Project Awards & Outlook

Gord Johnston - President and Chief Executive Officer

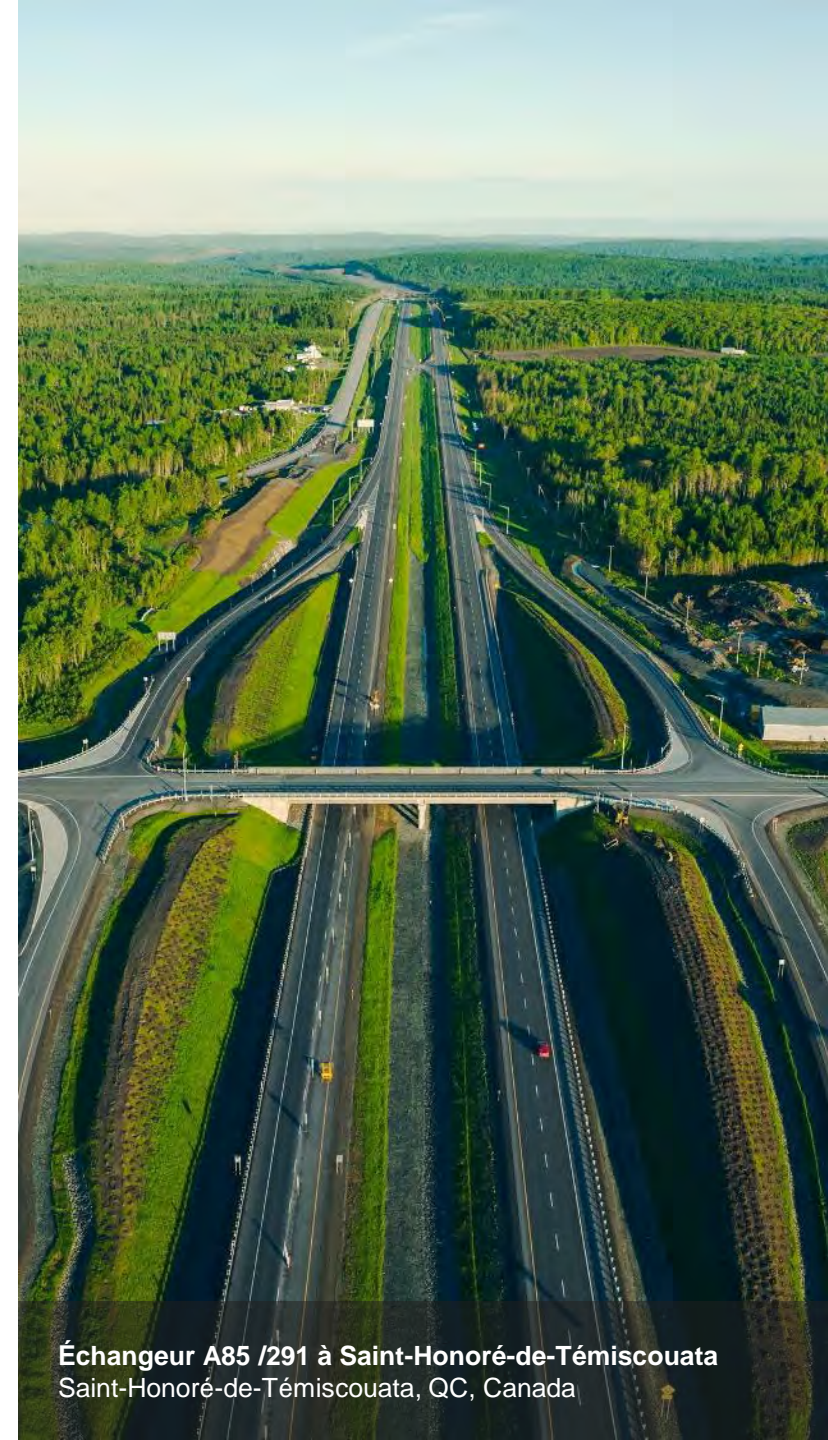


Record backlog

Backlog (\$ billions)



- **13.3%** growth since December 31, 2021
- **13.0%** organic growth; achieved in every regional and business operating unit
- Represents approximately 14 months of work



Échangeur A85 /291 à Saint-Honoré-de-Témiscouata
Saint-Honoré-de-Témiscouata, QC, Canada

Major project awards

Aging and overloaded infrastructure



Region	Project
Canada	<ul style="list-style-type: none"> Buffalo Pound Water Treatment Plant Renewal Project (Saskatchewan) Iona Island Wastewater Treatment Plant Projects (Vancouver) Traffic light, telecom infrastructure and mobility projects (Montreal)
Global	<ul style="list-style-type: none"> Community development and infrastructure improvements (UK)

Climate change



Region	Project
US	<ul style="list-style-type: none"> Floodplain modeling and mapping (Nebraska) Multi-year USACE contract for architecture and engineering services (Alaska) Driverless electric LRT (Hawaii) Zero-emission Blue Line Bus Rapid Transit (Indianapolis)
Global	<ul style="list-style-type: none"> Transportation framework (Scotland) Clean energy mining (Australia)

Re-shoring domestic production



Region	Project Area
Canada, US & Global	<ul style="list-style-type: none"> Semiconductors Vaccine Production Logistics / Fulfillment Centres



2022 Outlook reaffirmed

Strong trends back robust multi-year growth outlook

Targets	2022 Annual Range	June 30, 2022 YTD Actuals	Geography	2022 regional outlook
Net revenue growth	18% to 22%	21.3%	United States	High single-digit organic growth
Adjusted EBITDA as % of net revenue ⁽¹⁾	15.3% to 16.3%	15.6%	Canada	Low single-digit organic growth
Adjusted net income as % of net revenue ⁽¹⁾	At or above 7.5%	7.4%	Global	High single- to low-double digit organic growth
Adjusted ROIC ⁽¹⁾	Above 10.5%	(note)		

2022 Adjusted diluted EPS⁽¹⁾ expected to grow by 22% to 26%

(1) Adjusted EBITDA, adjusted net income, adjusted ROIC, and adjusted diluted EPS are non-IFRS and other financial measures (discussed in the Definition section of our Q2 2022 MD&A).
Note: Adjusted ROIC is calculated annually at the end of the year.



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Q&A

Éoliennes Belle-Rivière - Val-Éo
Saguenay, QC, Canada