

CIBC Industrials Conference – Toronto, ON  
Wednesday March 8, 2017

# WE ARE BETTER TOGETHER



**STN**  
TSX · NYSE

 **Stantec**

# Cautionary Statement

Our public communications will contain non-IFRS measures and written or verbal forward-looking statements, including a discussion of our goals and our growth strategies.

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.

For a discussion of risk factors and non-IFRS measures, see our 2016 Annual Report, which is available on SEDAR, EDGAR, and [stantec.com](http://stantec.com).

# STANTEC AT A GLANCE

STN

TSX & NYSE

22,000

Employees  
globally

400

Locations  
worldwide

CDN 4.3B

2016  
Gross Revenue

CDN 3.9B

December 31, 2016  
Market Cap

62 YEARS

Of uninterrupted  
profitability

## OUR BUSINESS MODEL IS DIVERSIFIED

Gross Revenue Breakdown  
by Geographies\*



### CONSULTING SERVICES

- 57% United States
- 32% Canada
- 11% Global

### CONSTRUCTION SERVICES

- 63% United States
- 37% United Kingdom

Gross Revenue Breakdown  
by Business Operating Units\*



### SERVICE OFFERINGS

- 85% Consulting Services
- 15% Construction Services

### BUSINESS OPERATING UNITS

- Consulting Services**
- 28% Infrastructure
  - 22% Buildings
  - 21% Water
  - 17% Environmental Services
  - 12% Energy & Resources

## Gross Revenue Breakdown by Geographies\*

**57% UNITED STATES**

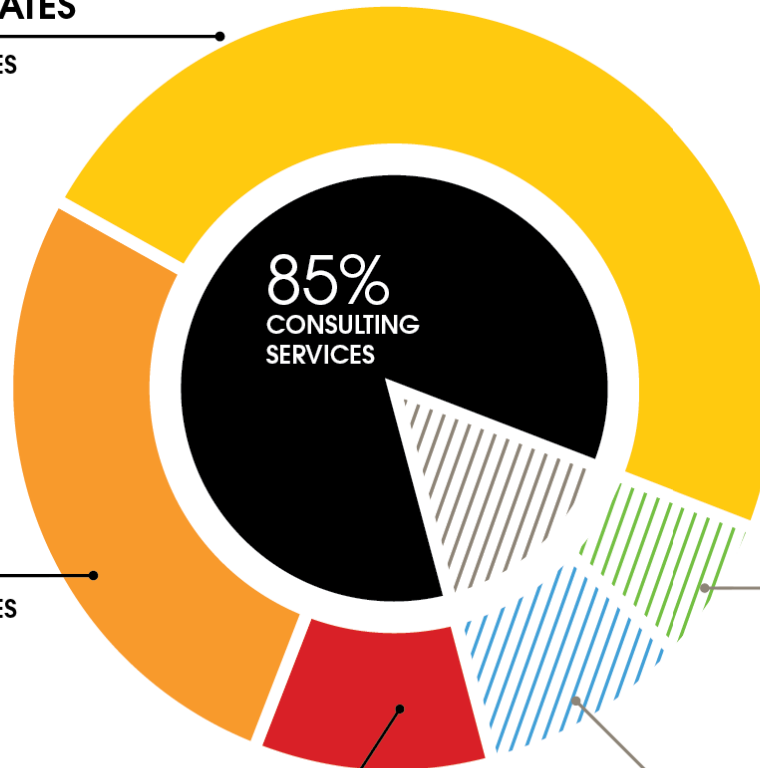
CONSULTING SERVICES

**32% CANADA**

CONSULTING SERVICES

**11% GLOBAL**

CONSULTING SERVICES



15%  
CONSTRUCTION  
SERVICES

**37% UNITED KINGDOM**

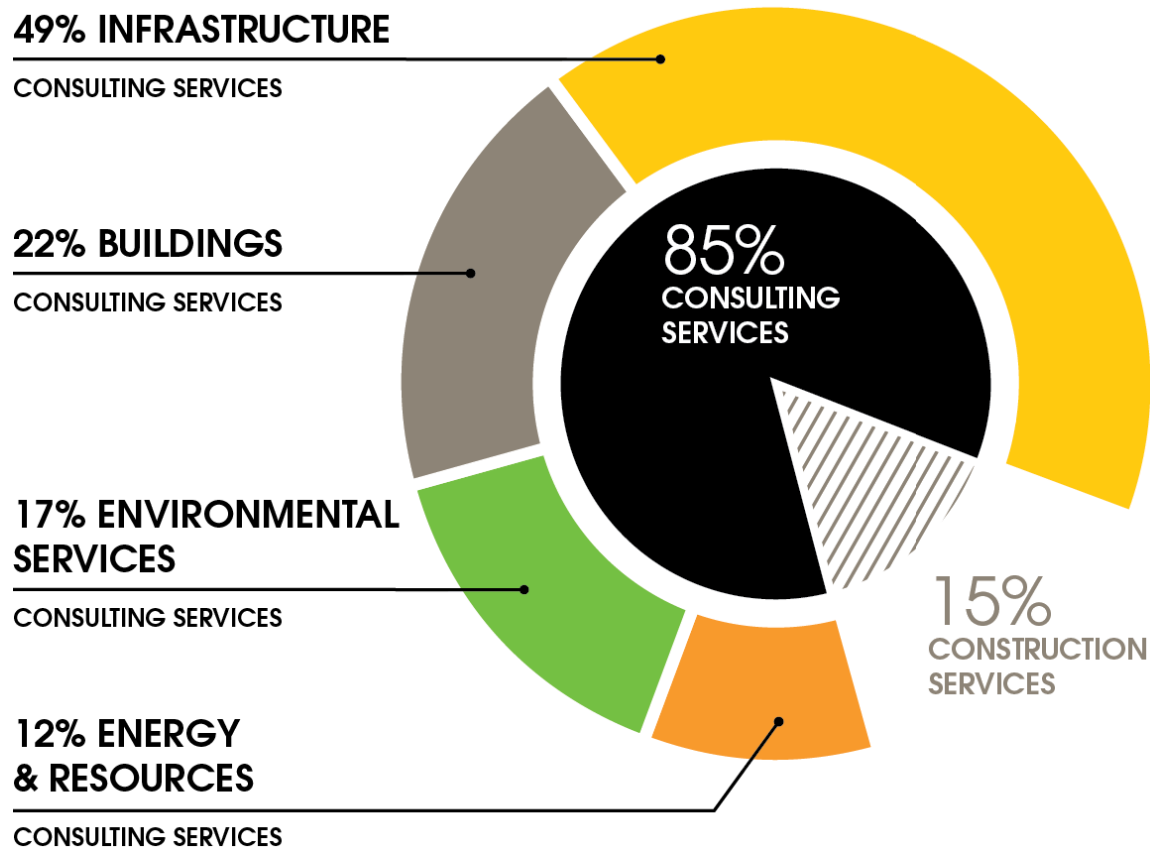
CONSTRUCTION SERVICES

**63% UNITED STATES**

CONSTRUCTION SERVICES

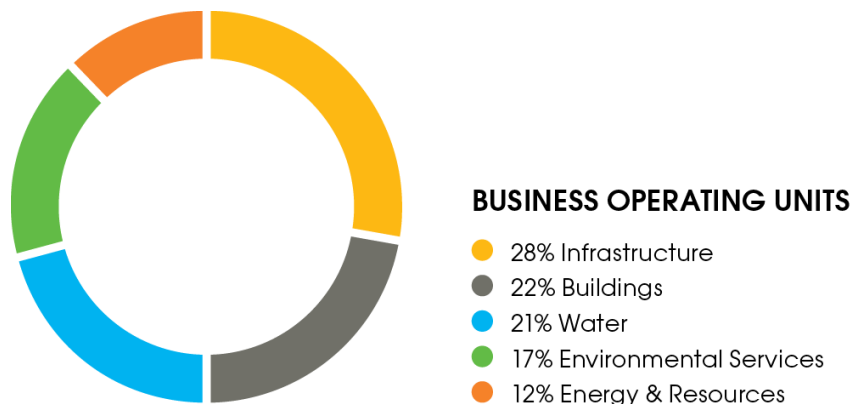


## Gross Revenue Breakdown by Business Operating Units\*



## WE CONTINUE TO EVOLVE

Water Business Operating Unit  
(Effective January 1, 2017)\*




- Client Enterprise Systems
- Conveyance
- Urban Stormwater & Wet Weather Flow
- Waste Management
- Water Resources Planning & Management
- Water Treatment
- Wastewater Treatment

\*Restated for 2016 to include 5 business operating units





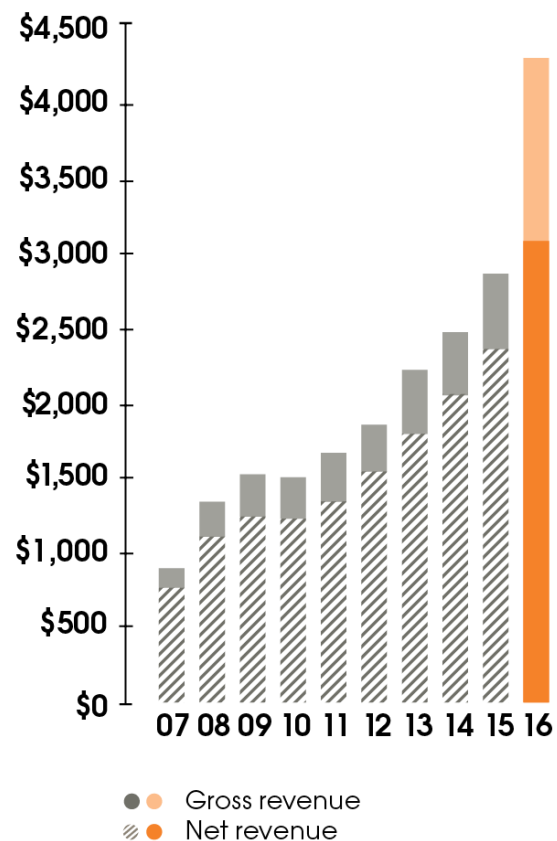


WE FOCUS ON  
PERFORMANCE



# Gross Revenue & Net Revenue

millions (C\$)

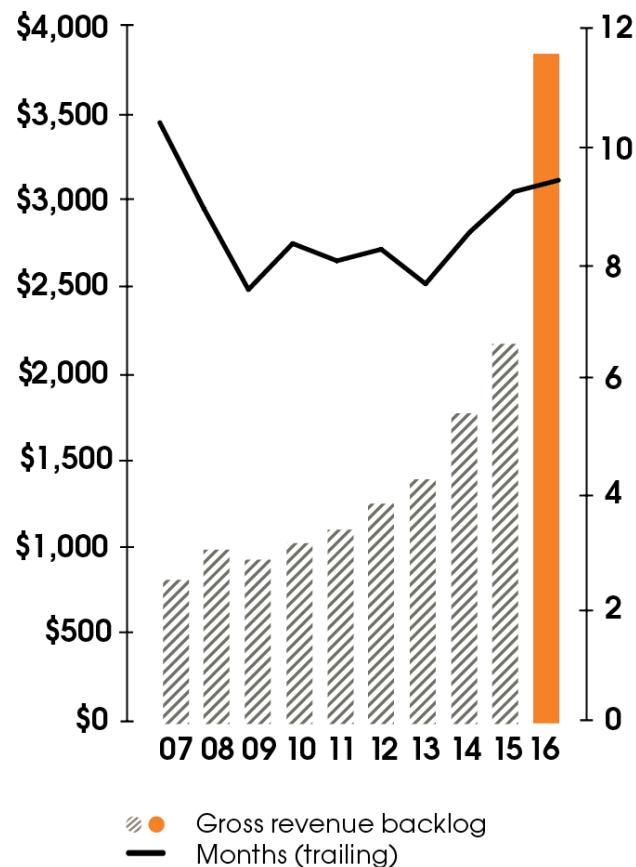


18%

10-year Gross Revenue  
CAGR

# Gross Revenue Backlog

millions (C\$)

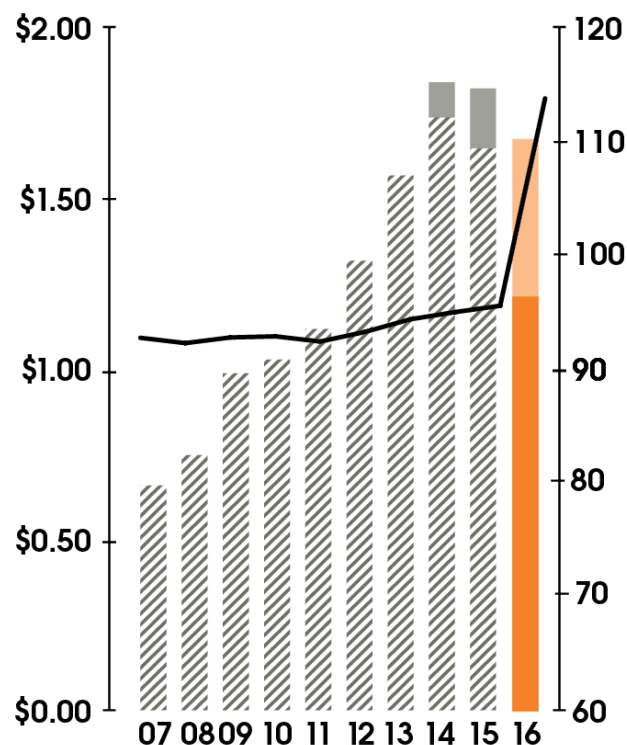


19%

10-year Gross Revenue  
Backlog CAGR

## EPS and Shares Outstanding

millions (C\$)



- Adjusted diluted EPS before goodwill impairment
- ▨ Diluted EPS before goodwill impairment
- Number of shares outstanding (in millions)

6%

10-year Diluted  
EPS CAGR



## CAPITAL STRUCTURE

### NEW CREDIT FACILITIES

\$C800M revolving credit facility

- Expires 2020

\$C450M term loan

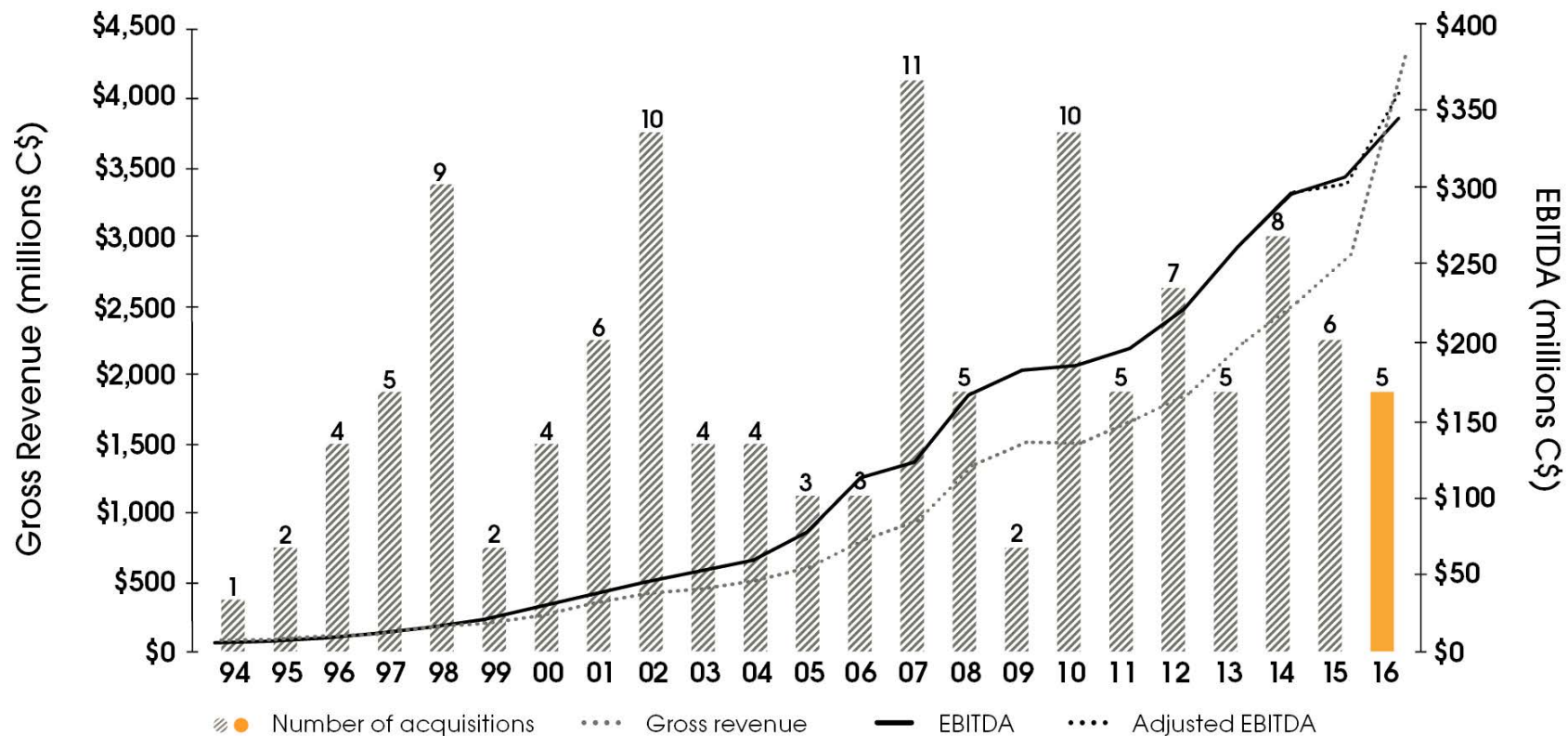
- Three tranches due 2018, 2019, 2020

### NET DEBT/EBITDA<sup>TTM</sup>

- 2.38 times at December 31, 2016

- 
- Strong cash flow generation and growth prospects
  - Less than 2.0x expected EBITDA by the end of 2017
  - Strong balance sheet provides flexibility to continue executing growth strategy
  - Consistent dividend payout ratio policy and corresponding dividend growth

## WE HAVE A PROVEN TRACK RECORD



WHERE WE ARE GOING

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## WE ARE EXPANDING OUR DEPTH AND BREADTH





## 2017 TARGETS

| Measure  | 2017 Target Range   |
|--|---------------------|
| Gross margin<br>as a % of net revenue                          | Between 53% and 55% |
| Administrative and marketing expenses<br>as a % of net revenue | Between 41% and 43% |
| EBITDA*<br>as a % of net revenue                               | Between 11% and 13% |
| Net income<br>as a % of net revenue                            | At or above 5%      |

| Additional Measures               | 2017 Target  |
|-----------------------------------|--------------|
| Capital expenditures              | \$75 million |
| Software additions                | \$15 million |
| Amortization of intangible assets | \$85 million |

\* Non-IFRS measure defined in 2016 Management's Discussion and Analysis

## 2017 OUTLOOK

| Overall   | Canada   | US   | Global   |
|---|--|--|--|
| <ul style="list-style-type: none"> <li>⬆ Long-term target of 15% gross revenue CAGR</li> <li>⬆ Continued acquisition strategy</li> <li>⬆ Strong backlog and client relationships</li> </ul> | <ul style="list-style-type: none"> <li>⬆ Federal infrastructure spending</li> <li>⬆ Transit, water and wastewater</li> <li>↔ Continued weakness in mining and oil and gas</li> <li>⬇ Residential construction</li> </ul> | <ul style="list-style-type: none"> <li>⬆ Expanding economy</li> <li>⬆ Infrastructure spending</li> <li>⬆ Water and wastewater</li> <li>⬆ Transportation</li> </ul> | <ul style="list-style-type: none"> <li>↔ United Kingdom</li> <li>⬆ New Zealand and Australia</li> <li>⬆ Europe</li> <li>⬆ Latin America</li> </ul> |

## WE ARE WELL POSITIONED

- Diversified across sectors, regions, and project lifecycle
- Proven track record
- Objective: top-tier position in each market and region we serve
- Robust capital structure to continue dividend growth and disciplined acquisition strategy

