



Raymond James Institutional Investor Conference

Investor Presentation

STN
TSX · NYSE

Refine.



Cautionary Statement

This presentation contains non-IFRS 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.

For a discussion of risk factors and non-IFRS measures, see our 2017 Annual Report which is available on SEDAR, EDGAR, and stantec.com.

Why invest in Stantec

- 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

Stantec at a glance

STN

TSX & NYSE

400

Locations worldwide

CDN \$4.0B

December 31, 2017 Market Cap

22,000

Employees globally

CDN \$5.1B

2017 Gross Revenue

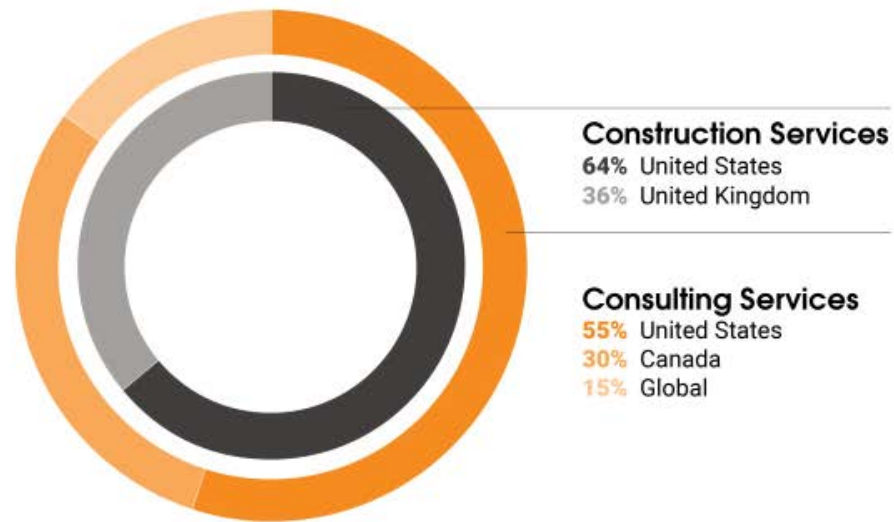
63 YEARS

Of uninterrupted profitability

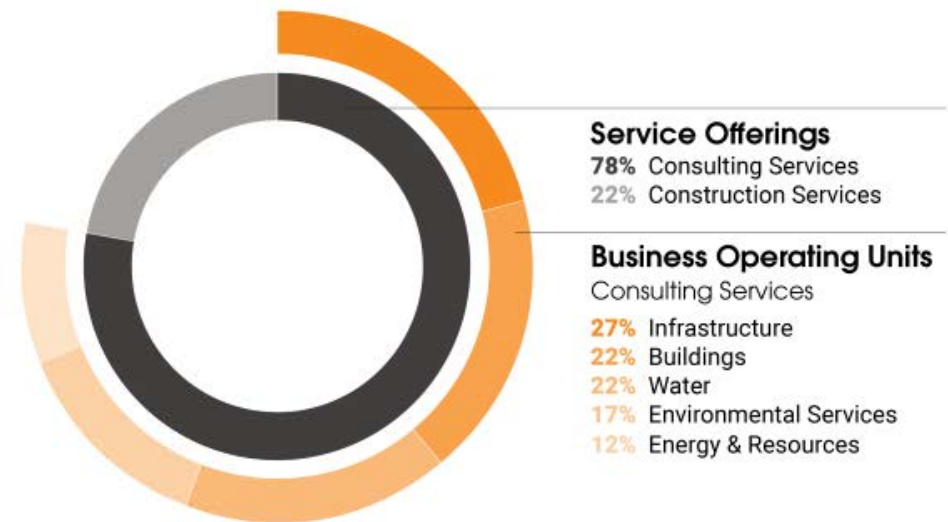
Engineering - Architecture - Interior Design - Landscape Architecture - Surveying
Environmental Sciences - Construction Services - Project Management - Project Economics

Our business model is diversified

2017 Gross Revenue by Geography



2017 Gross Revenue

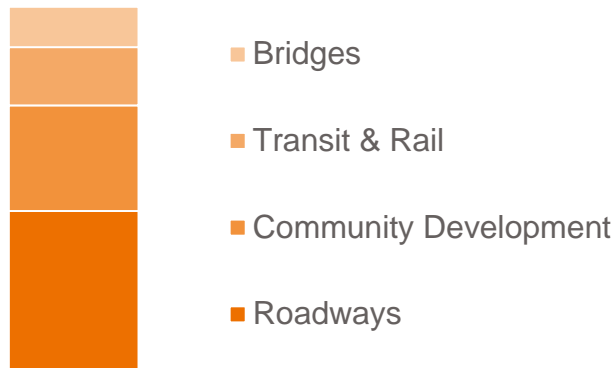


Project life cycle

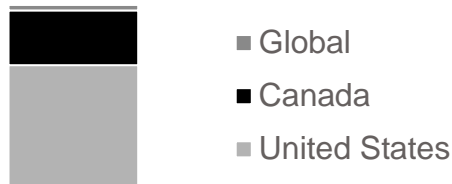


BUSINESS OPERATING UNIT

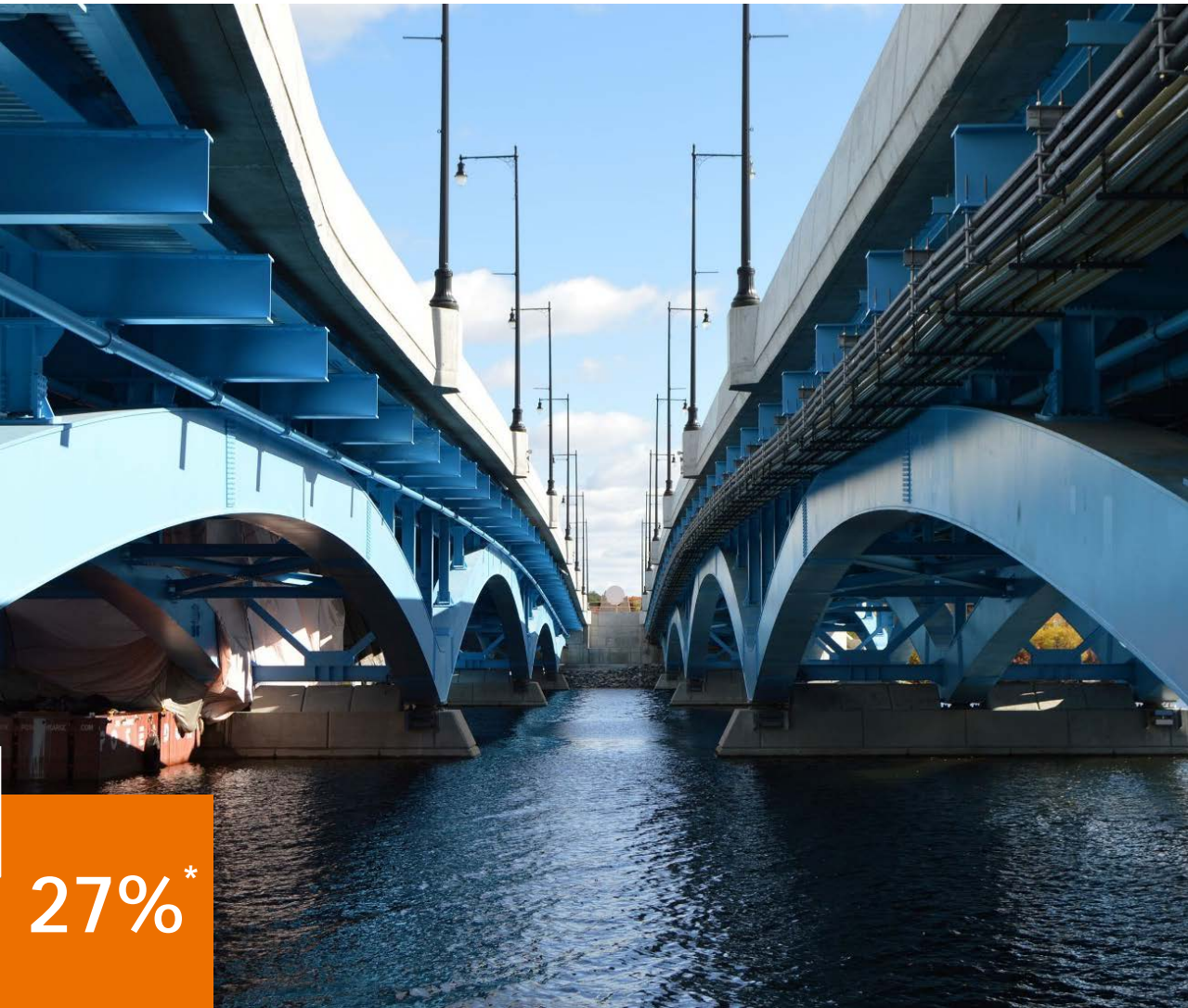
Infrastructure



Gross revenue by geography



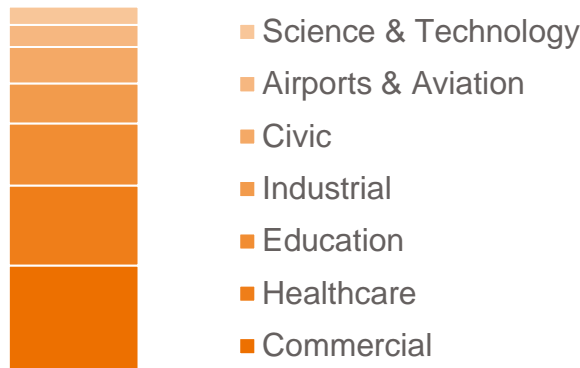
	Q4 17	2017
Organic gross revenue growth (retraction)	(0.7%)	2.3%
Organic net revenue growth	1.2%	3.0%



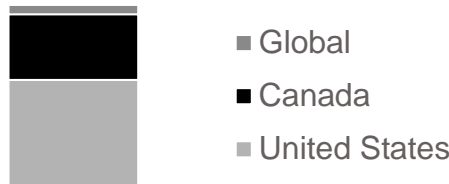
*As an approximate percentage of 2017 consulting services gross revenue

BUSINESS OPERATING UNIT

Buildings



Gross revenue by geography



	Q4 17	2017
Organic gross revenue growth	1.8%	0.6%
Organic net revenue growth (retraction)	(4.9%)	(0.6%)

22%*



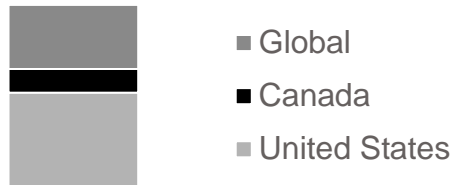
*As an approximate percentage of 2017 consulting services gross revenue

BUSINESS OPERATING UNIT

Water



Gross revenue by geography



	Q4 17	2017
Organic gross revenue growth (retraction)	(1.5%)	(0.2%)
Organic net revenue growth (retraction)	(3.0%)	0.6%

22%*



*As an approximate percentage of 2017 consulting services gross revenue

BUSINESS OPERATING UNIT

Environmental Services



- Mining
- Community Development
- Transportation
- Power
- Buildings
- Oil & Gas
- Water

Gross revenue by geography



- Global
- Canada
- United States

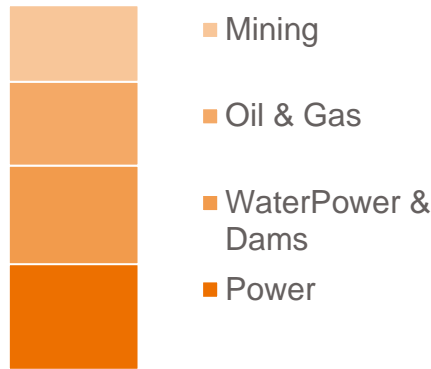
	Q4 17	2017
Organic gross revenue growth (retraction)	(2.9%)	(0.4%)
Organic net revenue growth (retraction)	0.5%	(2.4%)

17%*

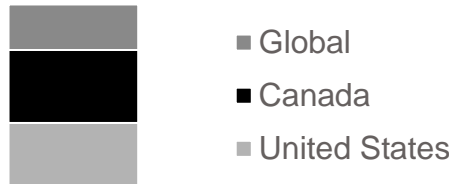
*As an approximate percentage of 2017 consulting services gross revenue

BUSINESS OPERATING UNIT

Energy & Resources



Gross revenue by geography



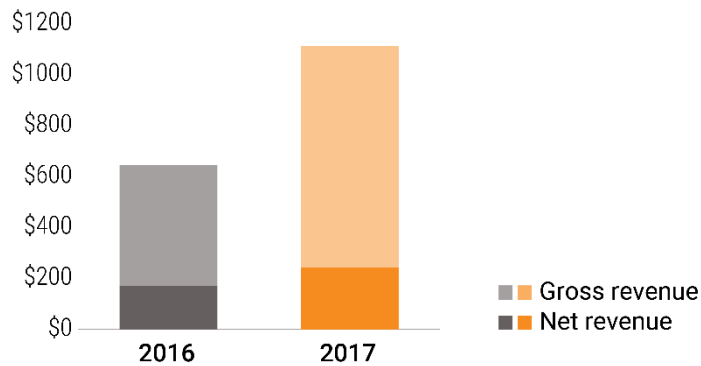
	Q4 17	2017
Organic gross revenue growth	26.7%	2.7%
Organic net revenue growth (retraction)	35.0%	(1.4%)

12%*

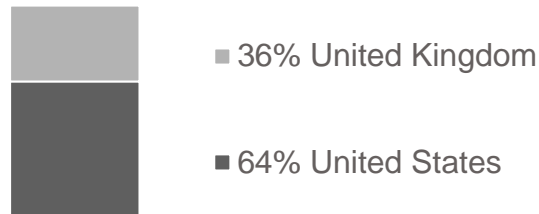


*As an approximate percentage of 2017 consulting services gross revenue

Construction Services



Gross revenue by geography



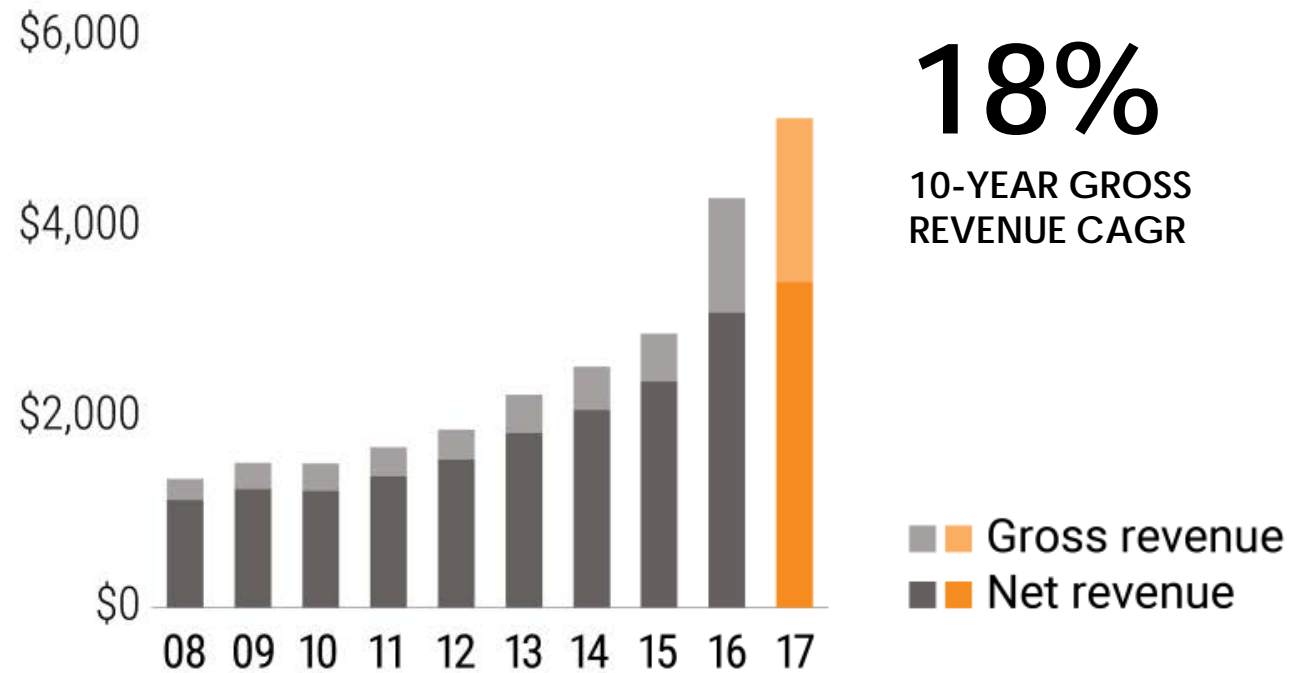
	Q4 17	2017
Organic gross revenue growth	11.2%	18.3%



We focus on performance

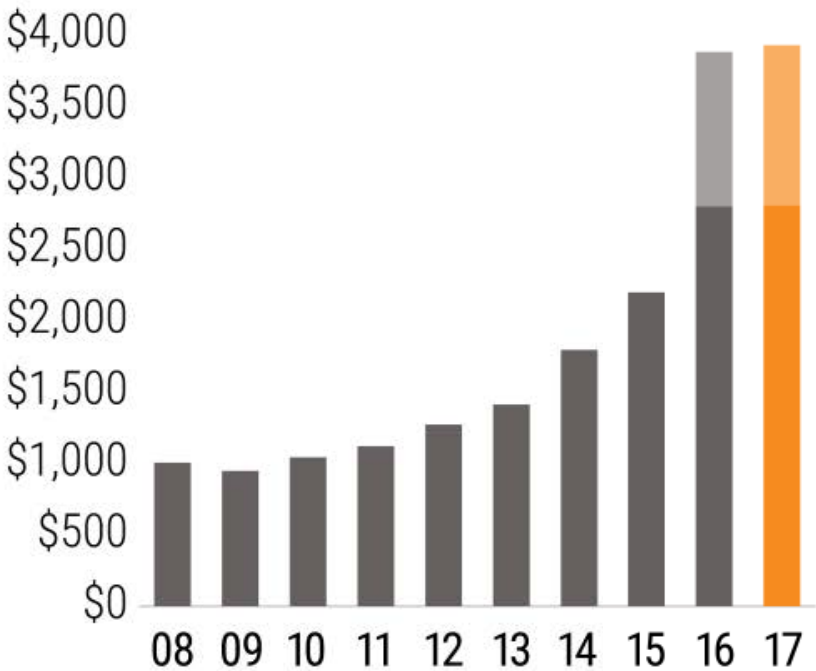
Gross Revenue & Net Revenue

millions (C\$)



Gross Revenue Backlog

millions (C\$)



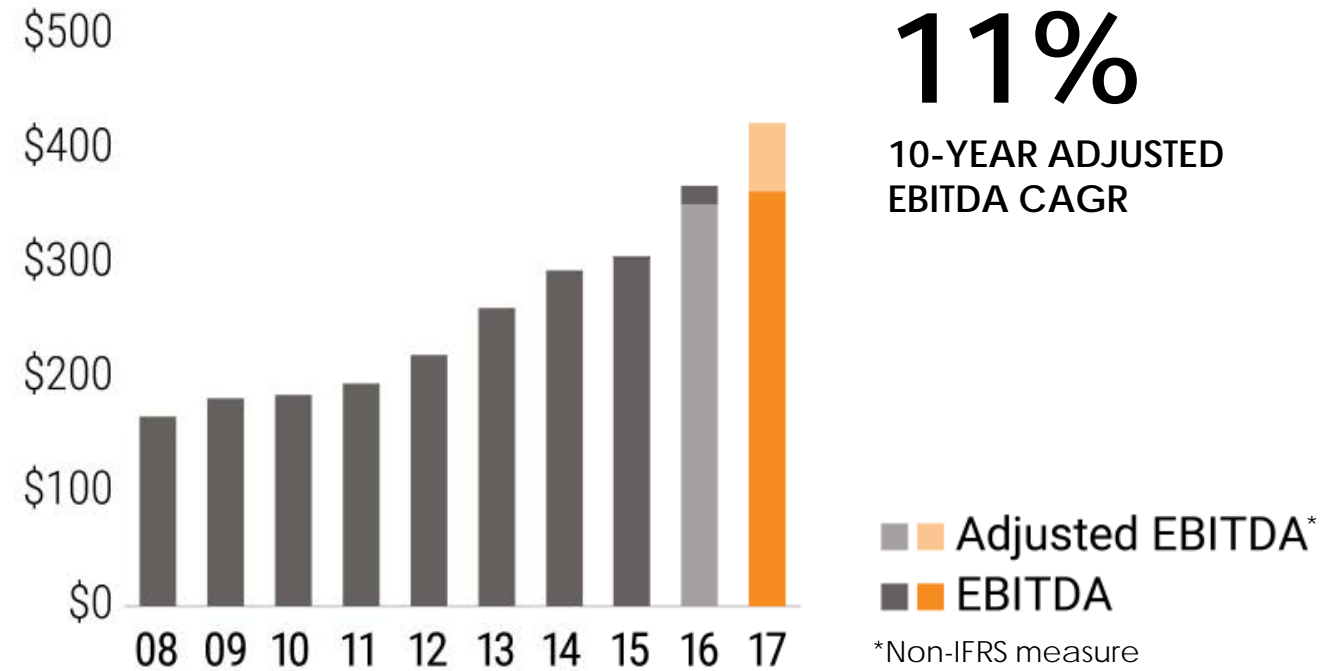
17%

10-YEAR GROSS REVENUE BACKLOG CAGR

Construction
Consulting

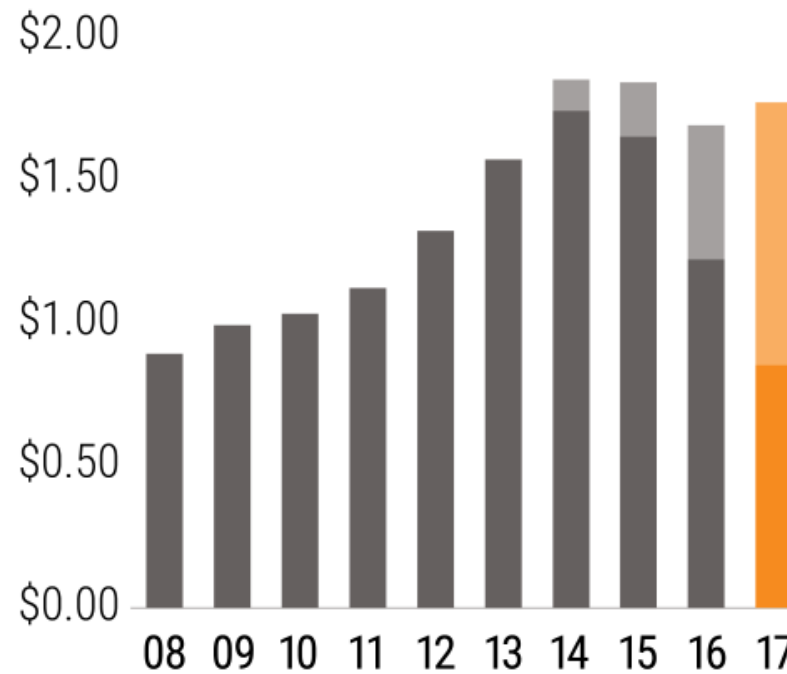
EBITDA

millions (C\$)



Diluted EPS

(C\$)



9%

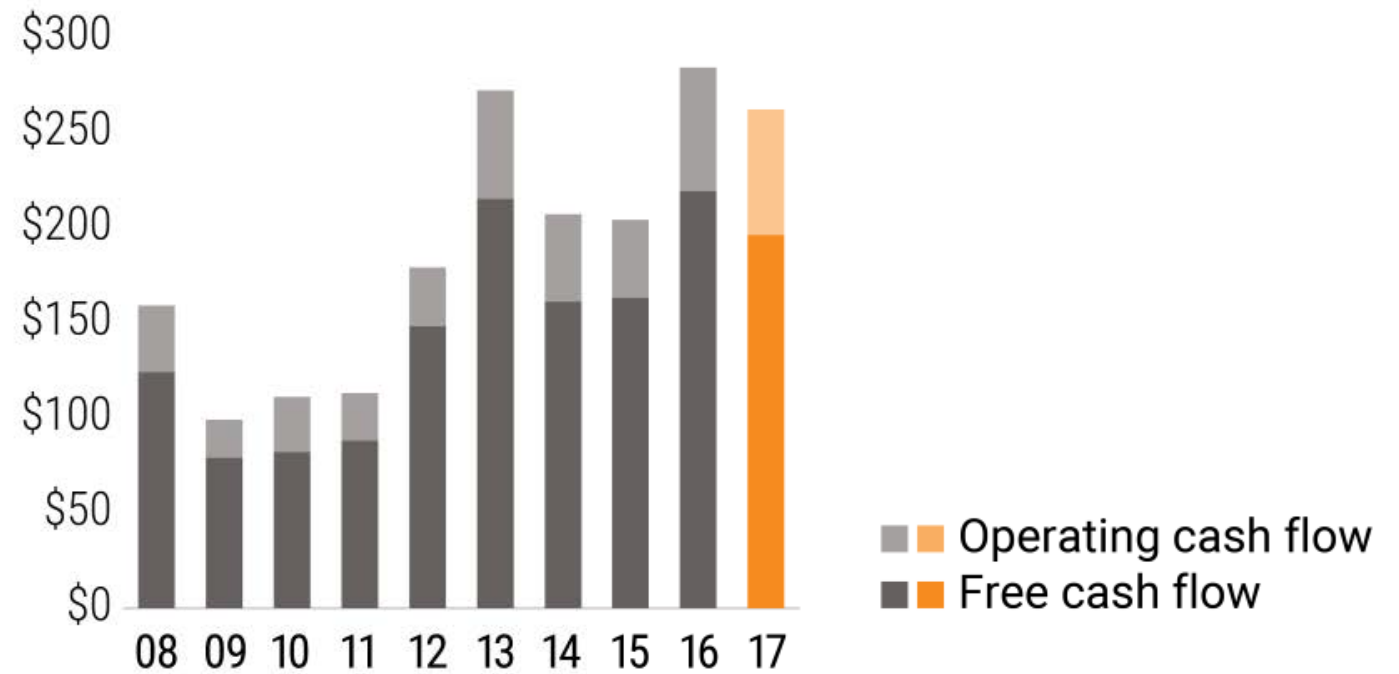
10-YEAR
ADJUSTED DILUTED
EPS CAGR

Adjusted diluted EPS*
Diluted EPS

*Non-IFRS measure. Before goodwill impairment and 2008 to 2013 restated for stock split in 2014.

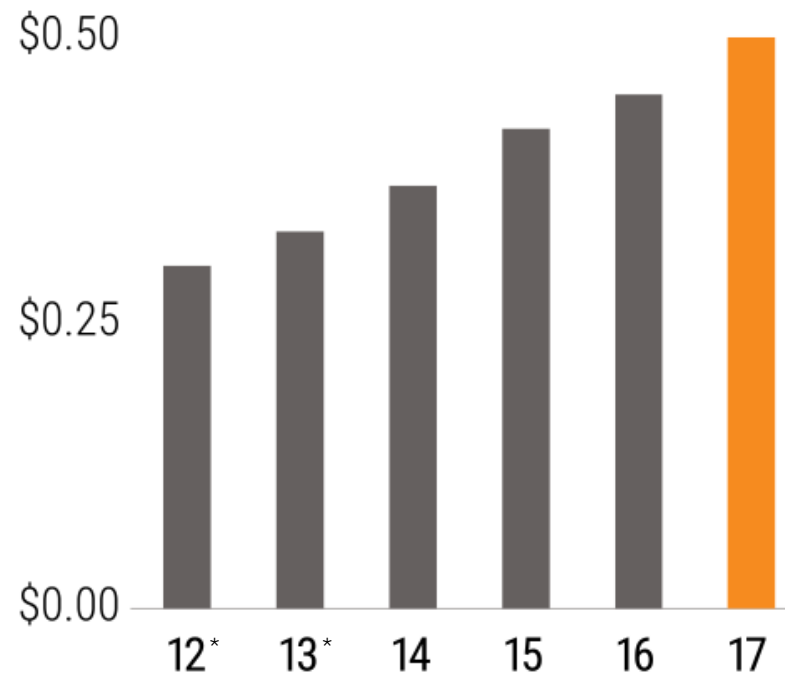
Cash Flow

millions (C\$)



Dividend

(C\$)

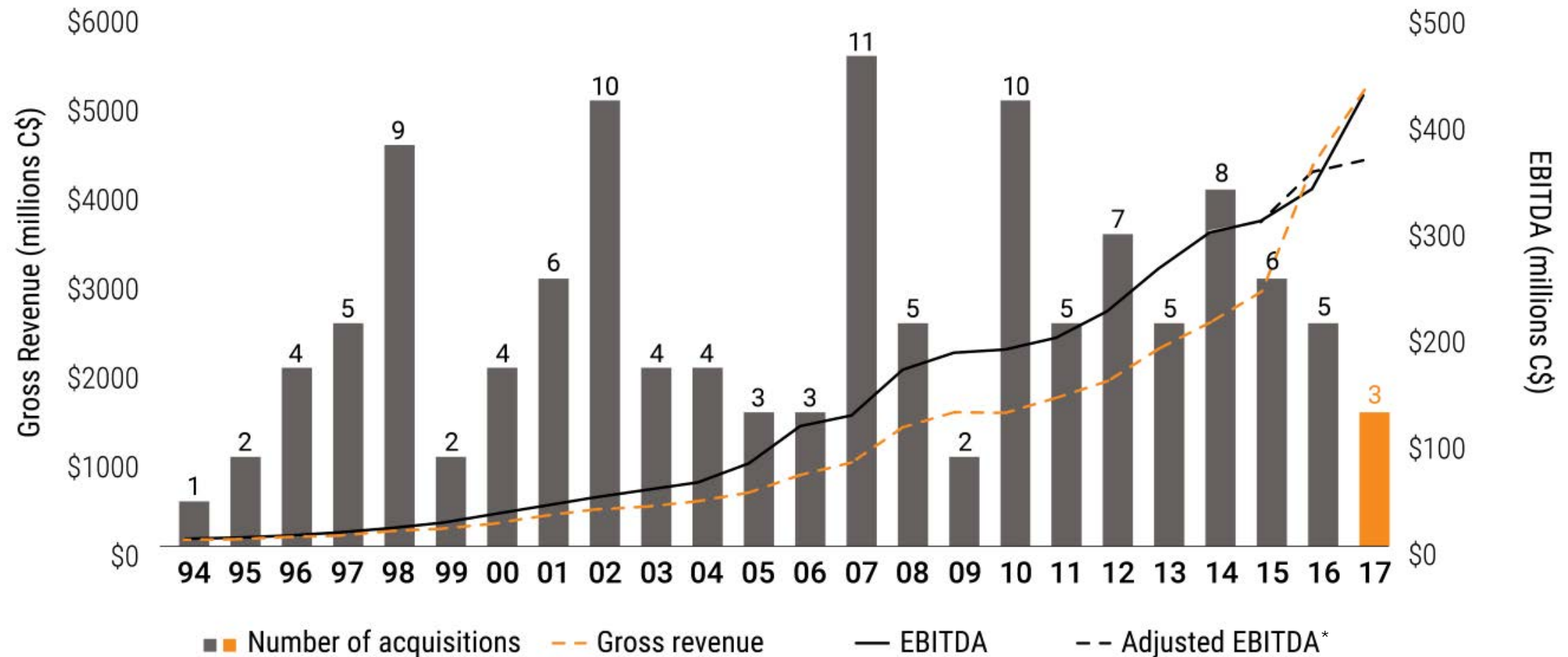


10.8%

5-YEAR
DIVIDEND CAGR

*2012 and 2013 restated
for 2014 stock split.

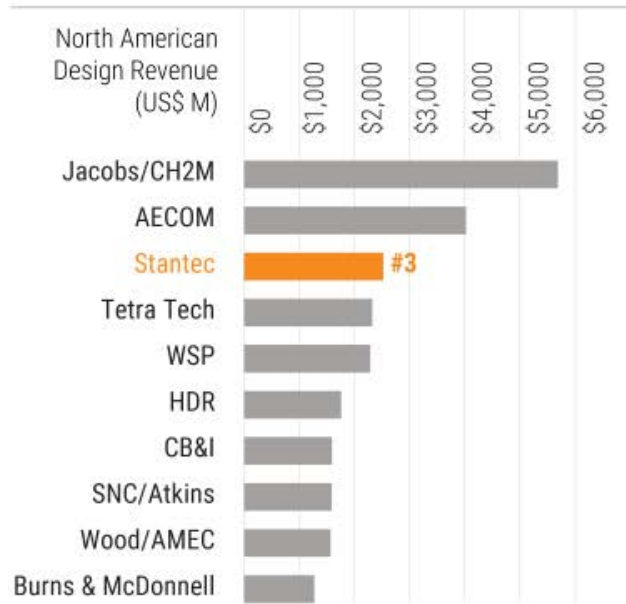
We have a proven track record



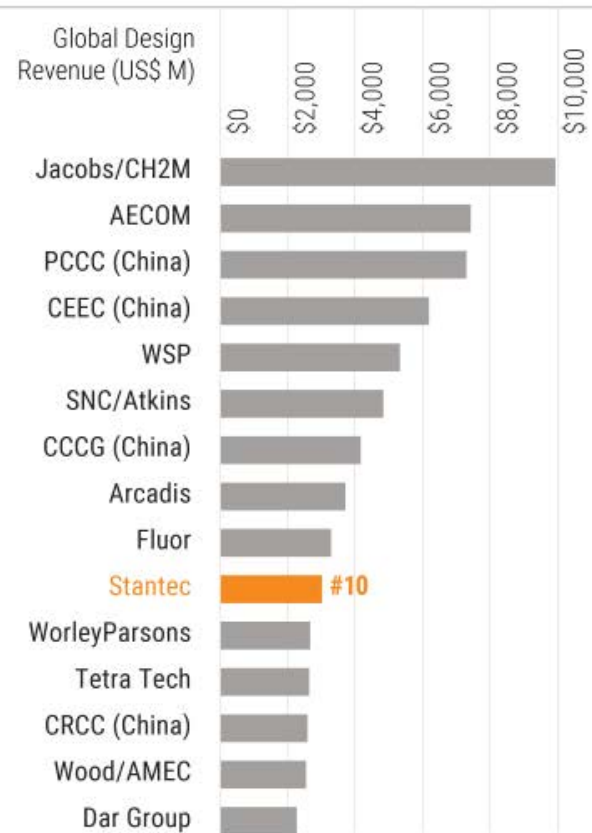
*Non-IFRS measures.

Top ten global design firm

Top North American Design Firms*



Top 150 Global Design Firms*



*Source: *Engineering News-Record* and internal analyses

2018 Targets & Expectations

MEASURE	2018 TARGET RANGE
Consulting Services	
Gross margin as % of net revenue	Between 53% and 55%
Administrative and marketing expenses as % of net revenue	Between 41% and 43%
EBITDA as % of net revenue*	Between 11% and 13%
Construction Services	
Gross margin as % of net revenue	Between 30% and 33%
Administrative and marketing expenses as % of net revenue	Between 25% and 27%
EBITDA as % of net revenue*	Between 7% and 9%
Consolidated	
Gross margin as % of net revenue	Between 52% and 54%
Administrative and marketing expenses as % of net revenue	Between 41% and 43%
EBITDA as % of net revenue*	Between 10% and 12%
Net income as % of net revenue*	At or above 5%
Additional Measures	
Capital expenditures for property and equipment	\$120 million
Amortization of intangible assets	\$53 million
Software additions	\$31 million

*Non-IFRS measure defined in 2017 Management's Discussion and Analysis

2018 Outlook

Canada

Federal and provincial increased infrastructure spending

Modest improvement in energy and resources sector

Moderate slow down in housing market

United States

Federal and state increased infrastructure spending

Growth in non-residential construction

Growth in housing market

Economic growth resulting from tax reform

New opportunities for APD

Global

Economic growth

Expand global footprint into new markets

Overall

Long-term target of 15% gross revenue CAGR

Organic gross revenue growth in the low- to mid-single digits

Strong backlog and client relationships

A dark grey world map with numerous small orange dots representing Stantec office locations. The dots are most densely clustered in North America, particularly in the United States, and are also scattered across Europe, Asia, Africa, and Australia.

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