

As required under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the operating results previously reported for Construction Services operations have been restated as discontinued operations for the current and comparative periods and separated from the Company's continuing operations. The following table presents operating results restated for discontinued operations for the years ended December 31, 2018, and December 31, 2017, and for the quarters included in 2018 and 2017.

| | 2018 | | | | |
|---|--------------|---------|---------|---------|---------|
| | Year ended | | | | |
| | Dec 31, 2018 | Q4 18 | Q3 18 | Q2 18 | Q1 18 |
| <i>(In millions of Canadian dollars)</i> | | | | | |
| Continuing operations | | | | | |
| Gross revenue | 4,283.8 | 1,083.9 | 1,086.6 | 1,092.0 | 1,021.3 |
| Less subconsultant and other direct expenses | 928.6 | 248.3 | 239.1 | 228.7 | 212.5 |
| Net revenue | 3,355.2 | 835.6 | 847.5 | 863.3 | 808.8 |
| Direct payroll costs | 1,540.0 | 386.2 | 392.2 | 393.3 | 368.3 |
| Gross margin | 1,815.2 | 449.4 | 455.3 | 470.0 | 440.5 |
| Administrative and marketing expenses | 1,438.2 | 382.7 | 346.2 | 361.3 | 348.0 |
| Depreciation of property and equipment | 50.1 | 13.0 | 12.6 | 12.4 | 12.1 |
| Amortization of intangible assets | 65.0 | 15.1 | 14.7 | 15.9 | 19.3 |
| Net interest expense | 28.7 | 9.3 | 7.4 | 6.7 | 5.3 |
| Other net finance expense | 5.7 | 2.1 | 1.6 | 0.4 | 1.6 |
| Share of income from joint ventures and associates | (1.6) | (0.4) | (0.5) | (0.4) | (0.3) |
| Foreign exchange loss (gain) | 2.7 | 1.1 | 0.1 | (0.6) | 2.1 |
| Other (income) expense | 0.1 | 2.7 | (0.9) | (3.9) | 2.2 |
| Income before income taxes and discontinued operations | 226.3 | 23.8 | 74.1 | 78.2 | 50.2 |
| Income taxes | 55.0 | 2.6 | 18.2 | 20.6 | 13.6 |
| Net income from continuing operations | 171.3 | 21.2 | 55.9 | 57.6 | 36.6 |
| Net (loss) income from discontinued operations, net of tax | (123.9) | (32.2) | (73.9) | (18.0) | 0.2 |
| Net income (loss) | 47.4 | (11.0) | (18.0) | 39.6 | 36.8 |
| 2017 | | | | | |
| <i>(In millions of Canadian dollars)</i> | | | | | |
| Continuing operations | | | | | |
| Gross revenue | 4,028.7 | 977.4 | 1,000.9 | 1,046.3 | 1,004.1 |
| Less subconsultant and other direct expenses | 854.9 | 227.5 | 213.4 | 214.6 | 199.4 |
| Net revenue | 3,173.8 | 749.9 | 787.5 | 831.7 | 804.7 |
| Direct payroll costs | 1,411.9 | 330.9 | 349.9 | 373.0 | 358.1 |
| Gross margin | 1,761.9 | 419.0 | 437.6 | 458.7 | 446.6 |
| Administrative and marketing expenses | 1,407.7 | 350.7 | 338.6 | 356.2 | 362.2 |
| Depreciation of property and equipment | 52.2 | 12.7 | 13.2 | 13.7 | 12.6 |
| Amortization of intangible assets | 73.0 | 16.7 | 17.6 | 16.9 | 21.8 |
| Net interest expense | 25.9 | 5.5 | 6.5 | 6.3 | 7.6 |
| Other net finance expense | 7.1 | 0.5 | 3.0 | 1.4 | 2.2 |
| Share of (income) loss from joint ventures and associates | (2.7) | 0.1 | (0.8) | (1.3) | (0.7) |
| Foreign exchange (gain) loss | (0.2) | 0.3 | (0.5) | (1.0) | 1.0 |
| Gain on disposition of a subsidiary | (54.6) | - | - | (54.6) | - |
| Other (income) expense | (10.0) | (6.1) | (2.6) | (0.5) | (0.8) |
| Income before income taxes and discontinued operations | 263.5 | 38.6 | 62.6 | 121.6 | 40.7 |
| Income taxes | 166.5 | 23.0 | 19.3 | 22.5 | 101.7 |
| Net income (loss) from continuing operations | 97.0 | 15.6 | 43.3 | 99.1 | (61.0) |
| Net income (loss) from discontinued operations, net of tax | - | (4.4) | 2.9 | (1.5) | 3.0 |
| Net income (loss) | 97.0 | 11.2 | 46.2 | 97.6 | (58.0) |

Reconciliation of Previously Reported Adjusted Measures

| | 2018 | | | | 2017 | | |
|---|------|------|-------|------|-------|------|------|
| <i>(In millions of Canadian dollars, except per share amounts)</i> | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Adjusted net income - continuing operations | 51.2 | 62.0 | 47.9 | 39.7 | 57.1 | 58.4 | 41.5 |
| Add back (deduct) after-tax: | | | | | | | |
| Corporate costs | 2.8 | 2.4 | 3.2 | 5.9 | (0.8) | 3.7 | 2.3 |
| Change in adjusted definition | 14.4 | 1.3 | (1.3) | 0.3 | 0.1 | - | 0.1 |
| Previously disclosed adjusted net income - Consulting Services (note) | 68.4 | 65.7 | 49.8 | 45.9 | 56.4 | 62.1 | 43.9 |
| Previously disclosed adjusted diluted EPS - Consulting Services (note) | 0.60 | 0.58 | 0.44 | 0.40 | 0.50 | 0.54 | 0.37 |

Stantec's continuing operations now solely comprises its Consulting Services business. Certain corporate costs, which have historically been allocated to Construction Services, are now required to be classified with continuing operations. As such, the table above reconciles adjusted net income and adjusted diluted earnings per share presented for continuing operations to previously disclosed results for Consulting Services. The results for Q1 17, Q4 17, and Q1 18 have not previously been disclosed. The results for Q1 17, Q4 17, and Q1 18 have not previously been disclosed. The change in adjusted definition for Q3 18 included a \$10.0 million transition tax recovery adjustment.

Gross Revenue by Reportable Segment

| | Year ended Dec 31, 2018 | Year ended Dec 31, 2017 | Total Change | Change Due to Net Acquisitions (Divestitures) | Change Due to Foreign Exchange | Change Due to Organic Growth | % of Organic Growth |
|--|----------------------------------|-------------------------------------|-----------------|--|---|------------------------------------|---------------------------|
| <i>(In millions of Canadian dollars, except percentages)</i> | | | | | | | |
| Canada | 1,275.8 | 1,191.7 | 84.1 | 24.1 | n/a | 60.0 | 5.0% |
| United States | 2,334.6 | 2,226.0 | 108.6 | 34.6 | (5.2) | 79.2 | 3.6% |
| Global | 673.4 | 611.0 | 62.4 | 49.0 | 2.7 | 10.7 | 1.8% |
| Total | 4,283.8 | 4,028.7 | 255.1 | 107.7 | (2.5) | 149.9 | |
| Percentage growth | | | 6.3% | 2.6% | 0.0% | 3.7% | |
| | Quarter Ended Dec 31, 2018 | Quarter Ended Dec 31, 2017 | Total Change | Change Due to Acquisitions | Change Due to Foreign Exchange | Change Due to Organic Growth | % of Organic Growth |
| <i>(In millions of Canadian dollars, except percentages)</i> | | | | | | | |
| Canada | 319.2 | 300.0 | 19.2 | 13.3 | n/a | 5.9 | 2.0% |
| United States | 572.0 | 521.7 | 50.3 | 4.2 | 20.7 | 25.4 | 4.9% |
| Global | 192.7 | 155.7 | 37.0 | 33.0 | (0.2) | 4.2 | 2.7% |
| Total | 1,083.9 | 977.4 | 106.5 | 50.5 | 20.5 | 35.5 | |
| Percentage growth | | | 10.9% | 5.2% | 2.1% | 3.6% | |

Net Revenue by Reportable Segment

| | 2018 | 2017 | Total Change | Change Due to Net Acquisitions (Divestitures) | Change Due to Foreign Exchange | Change Due to Organic Growth | % of Organic Growth |
|--|----------------------------------|-------------------------------------|-----------------|--|---|------------------------------------|---------------------------|
| <i>(In millions of Canadian dollars, except percentages)</i> | | | | | | | |
| Canada | 1,087.8 | 1,027.6 | 60.2 | 22.5 | n/a | 37.7 | 3.7% |
| United States | 1,774.4 | 1,714.7 | 59.7 | 21.6 | (4.5) | 42.6 | 2.5% |
| Global | 493.0 | 431.5 | 61.5 | 38.9 | (0.8) | 23.4 | 5.4% |
| Total | 3,355.2 | 3,173.8 | 181.4 | 83.0 | (5.3) | 103.7 | |
| Percentage growth (retraction) | | | 5.7% | 2.6% | (0.2%) | 3.3% | |
| | Quarter Ended Dec 31, 2018 | Quarter Ended Dec 31, 2017 | Total Change | Change Due to Acquisitions | Change Due to Foreign Exchange | Change Due to Organic Growth | % of Organic Growth |
| <i>(In millions of Canadian dollars, except percentages)</i> | | | | | | | |
| Canada | 268.9 | 252.5 | 16.4 | 12.0 | n/a | 4.4 | 1.7% |
| United States | 425.5 | 390.8 | 34.7 | 3.8 | 15.1 | 15.8 | 4.0% |
| Global | 141.2 | 106.6 | 34.6 | 29.0 | (0.2) | 5.8 | 5.4% |
| Total | 835.6 | 749.9 | 85.7 | 44.8 | 14.9 | 26.0 | |
| Percentage growth | | | 11.4% | 6.0% | 1.9% | 3.5% | |

n/a = not applicable

Gross revenue was accounted for using IAS 11 in 2017 and IFRS 15 in 2018.

Gross Revenue by Business Operating Unit

| | | | | Change Due to Net Acquisitions (Divestitures) | Change Due to Foreign Exchange | Change Due to Organic Growth (Retraction) | % of Organic Growth (Retraction) |
|---|----------------|----------------|--------------|---|--------------------------------|---|----------------------------------|
| (In millions of Canadian dollars, except percentages) | 2018 | 2017 | Total Change | | | | |
| Buildings | 944.5 | 898.1 | 46.4 | 42.8 | (1.3) | 4.9 | 0.5% |
| Energy & Resources | 591.7 | 479.2 | 112.5 | 19.0 | (3.1) | 96.6 | 20.2% |
| Environmental Services | 682.8 | 678.1 | 4.7 | 19.9 | 4.6 | (19.8) | (2.9%) |
| Infrastructure | 1,157.6 | 1,090.4 | 67.2 | 33.3 | (3.5) | 37.4 | 3.4% |
| Water | 907.2 | 882.9 | 24.3 | (7.3) | 0.8 | 30.8 | 3.5% |
| Total | 4,283.8 | 4,028.7 | 255.1 | 107.7 | (2.5) | 149.9 | |
| Percentage growth | | | 6.3% | 2.6% | 0.0% | 3.7% | |

| | Quarter Ended Dec 31, 2018 | Quarter Ended Dec 31, 2017 | Total Change | Change Due to Acquisitions | Change Due to Foreign Exchange | Change Due to Organic Growth (Retraction) | % of Organic Growth (Retraction) |
|---|----------------------------|----------------------------|--------------|----------------------------|--------------------------------|---|----------------------------------|
| (In millions of Canadian dollars, except percentages) | | | | | | | |
| Buildings | 235.0 | 212.4 | 22.6 | 6.5 | 5.3 | 10.8 | 5.1% |
| Energy & Resources | 157.1 | 130.5 | 26.6 | 9.7 | 0.7 | 16.2 | 12.4% |
| Environmental Services | 185.3 | 175.9 | 9.4 | 10.8 | 3.7 | (5.1) | (2.9%) |
| Infrastructure | 292.2 | 251.1 | 41.1 | 21.8 | 6.4 | 12.9 | 5.1% |
| Water | 214.3 | 207.5 | 6.8 | 1.7 | 4.4 | 0.7 | 0.3% |
| Total | 1,083.9 | 977.4 | 106.5 | 50.5 | 20.5 | 35.5 | |
| Percentage growth | | | 10.9% | 5.2% | 2.1% | 3.6% | |

Net Revenue by Business Operating Unit

| | | | | Change Due to Net Acquisitions (Divestitures) | Change Due to Foreign Exchange | Change Due to Organic Growth (Retraction) | % of Organic Growth (Retraction) |
|---|----------------|----------------|--------------|---|--------------------------------|---|----------------------------------|
| (In millions of Canadian dollars, except percentages) | 2018 | 2017 | Total Change | | | | |
| Buildings | 724.0 | 714.8 | 9.2 | 27.8 | (1.0) | (17.6) | (2.5%) |
| Energy & Resources | 507.5 | 401.5 | 106.0 | 17.5 | (2.8) | 91.3 | 22.7% |
| Environmental Services | 480.3 | 454.1 | 26.2 | 15.1 | 1.2 | 9.9 | 2.2% |
| Infrastructure | 926.0 | 899.1 | 26.9 | 30.7 | (2.8) | (1.0) | (0.1%) |
| Water | 717.4 | 704.3 | 13.1 | (8.1) | 0.1 | 21.1 | 3.0% |
| Total | 3,355.2 | 3,173.8 | 181.4 | 83.0 | (5.3) | 103.7 | |
| Percentage growth (retraction) | | | 5.7% | 2.6% | (0.2%) | 3.3% | |

| | Quarter Ended Dec 31, 2018 | Quarter Ended Dec 31, 2017 | Total Change | Change Due to Acquisitions | Change Due to Foreign Exchange | Change Due to Organic Growth | % of Organic Growth |
|---|----------------------------|----------------------------|--------------|----------------------------|--------------------------------|------------------------------|---------------------|
| (In millions of Canadian dollars, except percentages) | | | | | | | |
| Buildings | 174.8 | 165.0 | 9.8 | 6.0 | 3.8 | - | 0.0% |
| Energy & Resources | 128.7 | 106.8 | 21.9 | 8.6 | 0.8 | 12.5 | 11.7% |
| Environmental Services | 125.4 | 110.8 | 14.6 | 8.6 | 2.4 | 3.6 | 3.2% |
| Infrastructure | 235.4 | 208.0 | 27.4 | 20.1 | 4.9 | 2.4 | 1.2% |
| Water | 171.3 | 159.3 | 12.0 | 1.5 | 3.0 | 7.5 | 4.7% |
| Total | 835.6 | 749.9 | 85.7 | 44.8 | 14.9 | 26.0 | |
| Percentage growth | | | 11.4% | 6.0% | 1.9% | 3.5% | |

Comparative figures have been reclassified due to a realignment of several business lines and to conform to the presentation adopted for the current period. Gross revenue was accounted for using IAS 11 in 2017 and IFRS 15 in 2018.

Reconciliation of Non-IFRS Financial Measures

| | Year Ended December 31 | | Quarter Ended December 31 | |
|--|---------------------------|--------------|------------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| <i>(In millions of Canadian dollars, except per share amounts)</i> | | | | |
| Net income from continuing operations | 171.3 | 97.0 | 21.2 | 15.6 |
| Add back: | | | | |
| Income taxes | 55.0 | 166.5 | 2.6 | 23.0 |
| Net interest expense | 28.7 | 25.9 | 9.3 | 5.5 |
| Depreciation and amortization | 115.1 | 125.2 | 28.1 | 29.4 |
| EBITDA from continuing operations | 370.1 | 414.6 | 61.2 | 73.5 |
| Add back (deduct) pre-tax: | | | | |
| Lease exit liability | 12.8 | - | 12.8 | - |
| Past service cost for pensions | 4.7 | - | 4.7 | - |
| Unrealized loss on investments held for self-insured liabilities | 4.9 | - | 5.5 | - |
| Rebalancing of investments held for self-insured liabilities | - | (6.7) | - | (6.7) |
| Gain on disposition of a subsidiary | - | (54.6) | - | - |
| Adjusted EBITDA from continuing operations | 392.5 | 353.3 | 84.2 | 66.8 |

| | Year Ended December 31 | | Quarter Ended December 31 | |
|--|---------------------------|--------------|------------------------------|-------------|
| | 2018 | 2017 | 2018 | 2017 |
| <i>(In millions of Canadian dollars, except per share amounts)</i> | | | | |
| Net income from continuing operations | 171.3 | 97.0 | 21.2 | 15.6 |
| Add back (deduct) after-tax: | | | | |
| Amortization of intangible assets related to acquisitions <i>(note 1)</i> | 28.8 | 43.0 | 7.3 | 11.0 |
| Lease exit liability <i>(note 2)</i> | 9.4 | - | 9.4 | - |
| Past service cost for pensions <i>(note 3)</i> | 3.5 | - | 3.5 | - |
| Unrealized loss on investments held for self-insured liabilities <i>(note 4)</i> | 3.6 | - | 4.1 | - |
| US tax reform <i>(note 5)</i> | (10.0) | 18.6 | - | 18.6 |
| Tax expense on reorganization of legal entities <i>(note 5)</i> | - | 3.2 | - | (0.4) |
| Rebalancing of investments held for self-insured liabilities <i>(note 6)</i> | - | (5.1) | - | (5.1) |
| Gain on disposition of a subsidiary <i>(note 7)</i> | - | 40.0 | - | - |
| Adjusted net income from continuing operations | 206.6 | 196.7 | 45.5 | 39.7 |
| Weighted average number of shares outstanding - basic | 113,733,118 | 113,991,507 | 113,142,068 | 113,951,072 |
| Weighted average number of shares outstanding - diluted | 113,822,318 | 114,352,920 | 113,158,097 | 114,498,677 |
| Adjusted earnings per share from continuing operations | | | | |
| Adjusted earnings per share - basic | 1.82 | 1.73 | 0.40 | 0.35 |
| Adjusted earnings per share - diluted | 1.82 | 1.72 | 0.40 | 0.35 |

See the Definitions section of Stantec's 2018 Annual Report for a discussion of non-IFRS measures used. Construction Services operations are presented as discontinued operations. This table has been updated to include only continuing operation results.

note 1: The add back of intangible amortization relates only to the amortization from intangible assets acquired through acquisitions and excludes the amortization of software purchased by Stantec. For the quarter ended December 31, 2018, this amount is net of tax of \$1.4 (2017 - \$1.8). For the year ended December 31, 2018, this amount is net of tax of \$10.6 (2017 - \$13.6).

note 2: For the quarter and year ended December 31, 2018, this amount is net of tax of \$3.4 (2017 - nil).

note 3: For the quarter and year ended December 31, 2018, this amount is net of tax of \$1.2 (2017 - nil).

note 4: For the quarter ended December 31, 2018, this amount is net of tax of \$1.4 (2017 - nil). For the year ended December 31, 2018, this amount is net of tax of \$1.3 (2017 - nil).

note 5: Refer to the Income Taxes section for further details.

note 6: For the quarter and year ended December 31, 2018, this amount is net of tax of nil (2017 - \$1.6).

note 7: This relates to the sale of Innovye in 2017.

Stantec Inc.

Consolidated Statement of Cash Flows

Indirect Method

(Unaudited)

| Year ended December 31 (In millions of Canadian dollars) | 2018 \$ |
|--|----------------|
| CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS | |
| Net income for the year from continuing operations | 171.3 |
| Add (deduct) items not affecting cash: | |
| Depreciation of property and equipment | 50.1 |
| Amortization of intangible assets | 65.0 |
| Deferred income taxes | 0.5 |
| Loss on sale of property and equipment | 1.7 |
| Realized gain on equity securities | (0.9) |
| Unrealized loss on equity securities | 4.9 |
| Share-based compensation | 5.3 |
| Provision for self-insured liabilities and claims | 29.1 |
| Share of income from joint ventures and associates | (1.6) |
| Other non-cash items | (7.1) |
| | 318.3 |
| Trade and other receivables | (149.8) |
| Unbilled receivables | (88.0) |
| Contract assets | (5.8) |
| Prepaid expenses | (1.2) |
| Income taxes recoverable | 7.2 |
| Trade and other payables | 94.2 |
| Deferred revenue | 30.3 |
| | (113.1) |
| Cash flows from operating activities from continuing operations | 205.2 |