Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this presentation constitute forward-looking information and statements within the meaning of applicable securities law (collectively, "forward-looking statements"). Forward-looking statements in this presentation include, but are not limited to: our financial targets (including our annual net revenue growth, adjusted EBITDA, and net income targets; employee count; and ROIC target), our expectations regarding organizational reshaping, our anticipated business and geographical mix, our expectations regarding economic and industry trends in the sectors and regions in which we operate, our acquisition strategy, our capital deployment strategy, and our overall growth strategy. These statements describe management’s expectations as of December 3, 2019 and are provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that this information may not be appropriate for other purposes. Stantec does not undertake any obligations to publicly update or revise any forward-looking statements except as required by law.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Readers are cautioned not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events to differ materially from the targets, expectations, estimates, or intentions expressed in these forward-looking statements. Risk factors include, but are not limited to, the risk of an economic downturn, decreased spending in the private and/or public sectors, changing market conditions for Stantec’s services, and the risk that Stantec fails to capitalize on its strategic initiatives. Investors and the public should carefully consider these factors, other uncertainties, and potential events, as well as the inherent uncertainty of forward-looking statements when relying on these statements to make decisions about our company. For more information about how other material risk factors could affect our results, please refer to the Risk Factor section in our 2018 Annual Report incorporated herein by reference. Readers can access our Annual Report online by visiting EDGAR on the SEC website at sec.gov or by visiting the CSA website at sedar.com or on Stantec’s website at stantec.com.

In determining our forward-looking statements, we consider material factors including assumptions about the performance of the Canadian, US, and global economies in 2020 and beyond and their effect on our business. These key factors and assumptions are outlined thoroughly in our press release dated December 3, 2019. Unless otherwise indicated, all amounts expressed in Canadian dollars.
STANTEC AT A GLANCE

<table>
<thead>
<tr>
<th>STN</th>
<th>400</th>
<th>CDN $4.4B(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSX &amp; NYSE</td>
<td>Locations Worldwide</td>
<td>Market Cap</td>
</tr>
<tr>
<td>22,000 Employees Globally</td>
<td>CDN $3.6B Annual Net Revenue (1)</td>
<td>65 YEARS Of Uninterrupted Profitability</td>
</tr>
</tbody>
</table>

(1) Q3 19 TTM
(2) As of January 23, 2020
Distribution of Net Revenue

- **Global**: 52%
- **Canada**: 18%
- **United States**: 30%

$3.6B
Q3 19 TTM
Design & Engineering Services
For everything from small local projects to iconic mega projects

Business Operating Units

<table>
<thead>
<tr>
<th>INFRASTRUCTURE</th>
<th>BUILDINGS</th>
<th>WATER</th>
<th>ENVIRONMENTAL SERVICES</th>
<th>ENERGY &amp; RESOURCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,036M</td>
<td>$805M</td>
<td>$731M</td>
<td>$551M</td>
<td>$524M</td>
</tr>
</tbody>
</table>

(Q3 19 TTM Net Revenue)
Infrastructure

- Bridges
- Transit & Rail
- Community Development
- Roadways

Net revenue by region YTD

<table>
<thead>
<tr>
<th>Region</th>
<th>Gross revenue</th>
<th>Net revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>20.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Canada</td>
<td>12.6%</td>
<td>6.0%</td>
</tr>
<tr>
<td>United States</td>
<td>28%*</td>
<td></td>
</tr>
</tbody>
</table>

*As an approximate percentage of Q3 2019 YTD net revenue
BUSINESS OPERATING UNIT

Buildings

- Science & Technology
- Airports & Aviation
- Civic
- Education
- Industrial
- Healthcare
- Commercial

Net revenue by region YTD

<table>
<thead>
<tr>
<th>Region</th>
<th>Organic growth Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>2.6%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>4.5%</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

22%*

*As an approximate percentage of Q3 2019 YTD net revenue
**BUSINESS OPERATING UNIT**

**Water**

- Client Enterprise Systems
- Water Resources
- Water Treatment
- Stormwater & Wet Weather Flow
- Wastewater Treatment
- Conveyance

### Net revenue by region YTD

<table>
<thead>
<tr>
<th>Region</th>
<th>Organic growth</th>
<th>Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>7.5%</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td>Net revenue</td>
<td>7.4%</td>
<td>2.6%</td>
<td></td>
</tr>
</tbody>
</table>

*As an approximate percentage of Q3 2019 YTD net revenue*
Environmental Services

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

Net revenue by region YTD

- Global
- Canada
- United States

<table>
<thead>
<tr>
<th>Organic growth</th>
<th>Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>17.6%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>17.2%</td>
<td>13.1%</td>
</tr>
</tbody>
</table>

15%*

*As an approximate percentage of Q3 2019 YTD net revenue
**Energy & Resources**

- WaterPower & Dams
- Mining
- Power
- Oil & Gas

### Organic growth
- Gross revenue: (3.7%) (0.7%)
- Net revenue: (2.7%) (2.1%)

**Net revenue by region YTD**
- Global
- Canada
- United States

*As an approximate percentage of Q3 2019 YTD net revenue*
OUR VISION

To be a top 10 global design firm that maximizes long-term, sustainable value

- Pure play design focus
- Strong alignment with shareholders
- Earnings growth
- Disciplined capital allocation
**Our Opportunity**

**Key Market Trends**  
Climate change, Urbanization, Geopolitics and breakthrough technology

**Strategic Growth Opportunities**

1. **Coastal Resilience**  
   - **US$300B** \(^1\)

2. **Ecosystem Restoration**  
   - **US$9,000B** \(^1\)

3. **Smart Cities and Urban Places**  
   - **US$1,700B** \(^2\)

4. **Energy Remix**  
   - **US$13,040B** \(^3\)

---

**US$24 Trillion**  
Total Spend in the Next Decade

**US$2 Trillion**  
Addressable Engineering and Design Spend

---

1. United Nations by 2030
2. Navigant Research by 2030
3. IEA by 2025
OUR STRATEGY

To grow and diversify sustainably for the benefit of our clients, employees and shareholders.

We will do this through
Strong execution, efficient operations, and disciplined capital allocation while delivering a great client experience.

We will measure our success through
Strong earnings per share growth, improved returns on invested capital, balance sheet stability, employee engagement and client satisfaction.
Our 2022 Targets

NET REVENUE
>10% CAGR

ADJUSTED EBITDA MARGIN
16-17% OF NET REVENUE

ADJUSTED EARNINGS PER SHARE
>11% CAGR

RETURN ON INVESTED CAPITAL
>10%
Capital Allocation

Bhote Koshi Hydropower Project
Bhoti Koshi River, Sindhulpalchok District, Nepal
Capital allocation strategy has evolved

More than $500M
Returned to shareholders since 2010

- Share Repurchases
- Dividends

Capital Returned to Shareholders ($ millions)

4.9 11.1 20.6 29.8 33.6 38.3 46.1 55.5 61.3 63.9

- Dividend initiated
- Stock option program cancelled
- TSR adopted as a long-term incentive plan metric
- Continued focus on disciplined capital allocation:
  - Moderated growth CAGR;
  - Commitment to more rigorous pursuit of small & medium sized acquisitions

WE ARE DRIVEN TO ACHIEVE

25 - 30%
DIVIDEND PAY OUT RATIO

>11%
ADJUSTED EPS CAGR

>10%
RETURN ON INVESTED CAPITAL BY 2022
Our capital allocation philosophy
Focused on achieving the best risk adjusted returns

Operating cash flow

Sustaining CapEx
Maintaining a strong balance sheet
Base dividend

Excess Cash Flow

Share buyback
Growth

Organic and innovation
Acquisitions

EPS Growth

Our core commitments

Competing capital for the best risk adjusted returns
**Balance sheet strength**

Net Debt to Adjusted EBITDA (TTM)

- **Net debt to Adjusted EBITDA presented excluding the adoption of IFRS 16**

**WE ARE DRIVEN TO ACHIEVE**

**1.0 - 2.0x**

**NET DEBT: ADJUSTED EBITDA WITH IFRS 16**

When compelling, strategic opportunities arise, we are willing to flex above target range but with a line of sight to being back within the range in 12 months.

Continued focus on days sales outstanding and return on net working capital.
2020 Guidance
### 2020 targets and guidance

**Targets:**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA&lt;sup&gt;(1)&lt;/sup&gt; (% of net revenue)</td>
<td>11.0% - 21.0%</td>
</tr>
<tr>
<td>Adjusted Net Income&lt;sup&gt;(1)&lt;/sup&gt; (% of net revenue)</td>
<td>1.0% - 11.0%</td>
</tr>
<tr>
<td>Return on Invested Capital</td>
<td>4.0% - 14.0%</td>
</tr>
</tbody>
</table>

**Guidance:**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Guidance Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin (% of net revenue)</td>
<td>49.0% - 59.0%</td>
</tr>
<tr>
<td>Administrative &amp; Marketing Expenses (% of net revenue)</td>
<td>33.0% - 43.0%</td>
</tr>
<tr>
<td>Net Debt to Adjusted EBITDA</td>
<td>0.0 - 10.0</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Adjusted EBITDA and adjusted net income are non-IFRS measures (discussed in the Definition section of Stantec’s 2018 Annual Report and the Q3 2019 Management’s Discussion & Analysis).

*2019 Target Range was previously published in the 2018 Annual Report. Certain targets were revised in Q1 19 for the adoption of IFRS 16 and incorporation of adjusted measures.
ESG leadership that drives value
ENVIRONMENTAL LEADERSHIP

Stewardship and innovation that drives value
Stantec’s recognized leadership in sustainable design helps us win projects

Reducing our impact:
In 2018 we achieved a 36% reduction in scope 1 and 2 emissions from our 2013 baseline – We expect to surpass our 2028 reduction target of 40%

Recent accolades:
• Corporate Knights 2020: Ranked as Top 100 Most Sustainable Companies in the World
• CDP Climate Leader – 2019 CDP score of A-
• Top 100 Smart City Partners - Newsweek magazine
SOCIAL LEADERSHIP

Embracing and engaging diverse groups
Improves the performance of our business and our ability to support clients

SaferTogether: A culture of safety
Indigenous Communities: Partnering and building capacity
Inclusion and Diversity: Targeting > 85% engagement

Inclusion in:
• The Bloomberg Gender-Equality Index
• The Jantzi Social Index

Safety Statistics by Year

TRIR
A lagging indicator that tracks the number of recordable incidents that a company experiences during a year, normalized to 100 full-time employees. A low TRIR score is desirable.

LISI
An index composed of leading indicators that measures proactive and preventative activities. Identifying leading indicators is intended to reduce the number of safety incidents that occur and to promote a proactive approach to health and safety. A high LISI score is desirable.
STRONG GOVERNANCE

A diverse board and values-based leadership
A board dominated by independent directors from exceptional backgrounds and leadership driven by clear values position Stantec for the future

Business Conduct:
• 99% compliance with mandatory ethics training in 2018

Board Composition and Experience

Environmental and Social Factors
- 78% highly experienced
- 11% general experience
- 11% limited experience

Governance
- 100% highly experienced

Health, Safety, and Security
- 67% highly experienced
- 33% general experience

Risk Management
- 89% highly experienced
- 11% general experience
Thank You!
Appendix: Geographies

Stantec Tower
Edmonton, Alberta
Canada

Results in line with expectations for slower economic growth

Environmental Services, Mining, and Transportation led growth

Energy & Resources retraction due to projects wrapping up or nearing completion

University of Lethbridge - Science and Academic Building
Lethbridge, Alberta

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue growth</td>
<td>2.9%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Organic net revenue growth (retraction)</td>
<td>2.2%</td>
<td>(0.3%)</td>
</tr>
<tr>
<td>Backlog at September 30, 2019</td>
<td>$1.0B</td>
<td></td>
</tr>
</tbody>
</table>
United States

Strong growth in Transportation, Environmental Services, and Water

Continued work on major rail and transit projects

Several wins in renewables and hydropower work

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue growth</td>
<td>12.1%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>11.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Backlog at September 30, 2019</td>
<td>$2.8B</td>
<td></td>
</tr>
</tbody>
</table>
Global

Acquisitions of PBA and WGE contributed to growth in Buildings and Infrastructure.

Organic growth across all businesses except WaterPower & Dams.

Several projects wins in the Middle East with government clients.

---

<table>
<thead>
<tr>
<th>Q3 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue growth</td>
<td>34.8%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>6.0%</td>
</tr>
<tr>
<td>Backlog at September 30, 2019</td>
<td>$640M</td>
</tr>
</tbody>
</table>
Q3 2019

Development of a footbridge and a marsh at SEVA residences/Aménagement d'une passerelle et d'un marais aux résidences SEVA

Candiac, QC, Canada
**Q3 2019 Overview**

12.4% growth in net revenue driven by:

- 7.4% organic growth in all geographies and businesses except Energy & Resources
- 4.8% acquisition growth mainly focused in Buildings and Infrastructure

13.4% increase in gross margin reflecting continued focus on project execution and project mix

### Organic net revenue growth (retraction)

<table>
<thead>
<tr>
<th>Organic Net Revenue Growth (retraction)</th>
<th>4.5%</th>
<th>(2.7%)</th>
<th>17.2%</th>
<th>10.3%</th>
<th>7.4%</th>
<th>2.2%</th>
<th>11.1%</th>
<th>6.0%</th>
<th>7.4%</th>
</tr>
</thead>
</table>

### Net revenue in millions of CAD

- **Q3 18**
- **Q3 19**

- **Buildings**
- **Energy & Resources**
- **Environmental Services**
- **Infrastructure**
- **Water**
- **Canada**
- **United States**
- **Global**
- **Overall**

- $4.4 billion gross revenue backlog
- 5.4% backlog increase from end of 2018
- 11 months of work
# Adoption of IFRS 16

(millions of Canadian dollars except where noted)

<table>
<thead>
<tr>
<th>Impact on income statement items</th>
<th>Q3 19 as reported</th>
<th>Q3 19 excluding IFRS 16</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative and marketing expenses</td>
<td>355.6</td>
<td>390.6</td>
<td>(35.0)</td>
</tr>
<tr>
<td>Depreciation of lease assets</td>
<td>29.3</td>
<td>-</td>
<td>29.3</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>17.2</td>
<td>9.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Net income</td>
<td>57.8</td>
<td>59.6</td>
<td>(1.8)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impact on non-IFRS financial measures (1)</th>
<th>Q3 19 as reported</th>
<th>Q3 19 excluding IFRS 16</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>157.9</td>
<td>122.9</td>
<td>35.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>159.1</td>
<td>124.1</td>
<td>35.0</td>
</tr>
<tr>
<td>Net debt/adjusted EBITDA</td>
<td>1.6x</td>
<td>2.1x</td>
<td>(0.5)</td>
</tr>
</tbody>
</table>

(1) Non-IFRS measures are discussed in the Definitions section of our 2018 Annual Report and Q3 19 Management's Discussion & Analysis. Net debt/adjusted EBITDA was calculated using a proforma IFRS 16 adjustment for Q418 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.
## Q3 19 Results

(In millions of Canadian dollars, except per share amounts and percentages)

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q3 18</th>
<th>YTD Q3 19</th>
<th>YTD Q3 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>1,241.5</td>
<td>1,086.6</td>
<td>3,617.1</td>
<td>3,199.9</td>
</tr>
<tr>
<td></td>
<td>130.3%</td>
<td>128.2%</td>
<td>128.7%</td>
<td>127.0%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>952.6</td>
<td>847.5</td>
<td>2,810.3</td>
<td>2,519.6</td>
</tr>
<tr>
<td></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>516.1</td>
<td>455.3</td>
<td>1,522.1</td>
<td>1,365.8</td>
</tr>
<tr>
<td></td>
<td>54.2%</td>
<td>53.7%</td>
<td>54.2%</td>
<td>54.2%</td>
</tr>
<tr>
<td>Administrative and marketing expenses</td>
<td>355.6</td>
<td>346.2</td>
<td>1,085.1</td>
<td>1,055.5</td>
</tr>
<tr>
<td></td>
<td>37.3%</td>
<td>40.8%</td>
<td>38.6%</td>
<td>41.9%</td>
</tr>
<tr>
<td>EBITDA from continuing operations (1)</td>
<td>157.9</td>
<td>108.8</td>
<td>436.0</td>
<td>308.9</td>
</tr>
<tr>
<td></td>
<td>16.6%</td>
<td>12.8%</td>
<td>15.5%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>57.8</td>
<td>55.9</td>
<td>152.0</td>
<td>150.1</td>
</tr>
<tr>
<td></td>
<td>6.1%</td>
<td>6.6%</td>
<td>5.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Basic and diluted earnings per share (EPS) from continuing operations</td>
<td>0.52</td>
<td>0.49</td>
<td>1.36</td>
<td>1.32</td>
</tr>
<tr>
<td>Adjusted EBITDA from continuing operations (1)</td>
<td>159.1</td>
<td>108.3</td>
<td>431.6</td>
<td>308.3</td>
</tr>
<tr>
<td></td>
<td>16.7%</td>
<td>12.8%</td>
<td>15.4%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Adjusted net income from continuing operations (1)</td>
<td>66.3</td>
<td>51.2</td>
<td>172.7</td>
<td>161.1</td>
</tr>
<tr>
<td></td>
<td>7.0%</td>
<td>6.0%</td>
<td>6.1%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Adjusted basic and diluted EPS from continuing operations (1)</td>
<td>0.59</td>
<td>0.45</td>
<td>1.55</td>
<td>1.41</td>
</tr>
</tbody>
</table>

(1) EBITDA, adjusted EBITDA, adjusted net income, and adjusted basic and diluted EPS are non-IFRS measures (discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis).
Q3 19 YTD Results Versus Guidance
Expressed as a percent of net revenue & revised for IFRS 16

- Gross Margin: 49.0% to 59.0%
  - 54.0% is the actual result

- Admin & Marketing: 33.0% to 43.0%
  - 38.6% is the actual result

- Adjusted EBITDA(1): 11.0% to 21.0%
  - 15.4% is the actual result

- Adjusted Net Income(1): 1.0% to 11.0%
  - 6.1% is the actual result

(1) Adjusted EBITDA and adjusted net income are non-IFRS measures (discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management’s Discussion & Analysis).

*2019 Target Range was previously published in our 2018 Annual Report. Certain targets were revised in Q1 19 for the adoption of IFRS 16 and incorporation of adjusted measures.
## Liquidity and Capital Resources

### Cash Flow from Continuing Operations

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q3 19</th>
<th>Q3 18</th>
<th>YTD Q3 19</th>
<th>YTD Q3 19</th>
<th>YTD Q3 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inflow</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Outflow)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>139.0</td>
<td>108.2</td>
<td>64.4</td>
<td>212.8</td>
<td>129.4</td>
<td>89.7</td>
</tr>
<tr>
<td>Investing</td>
<td>(29.9)</td>
<td>4.4</td>
<td>(87.6)</td>
<td>(165.5)</td>
<td>(123.6)</td>
<td>(192.3)</td>
</tr>
<tr>
<td>Financing</td>
<td>(54.7)</td>
<td>(58.2)</td>
<td>7.4</td>
<td>(56.7)</td>
<td>(15.2)</td>
<td>105.6</td>
</tr>
<tr>
<td><strong>Net effect</strong></td>
<td>54.4</td>
<td>54.4</td>
<td>(15.8)</td>
<td>(9.4)</td>
<td>(9.4)</td>
<td>3.0</td>
</tr>
</tbody>
</table>

### Sources and Uses of Cash

#### Q3 19 YTD

<table>
<thead>
<tr>
<th>Sources (millions of Canadian dollars)</th>
<th>Q3 19 TTM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>200</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>100</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>50</td>
</tr>
</tbody>
</table>

#### Q3 19 TTM

<table>
<thead>
<tr>
<th>Uses (millions of Canadian dollars)</th>
<th>Q3 19 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit facility</td>
<td>100</td>
</tr>
<tr>
<td>Capital assets</td>
<td>100</td>
</tr>
<tr>
<td>Dividends</td>
<td>50</td>
</tr>
</tbody>
</table>

### Summary

- **Q3 19 YTD:**
  - Inflow: 212.8 million
  - Outflow: 15.8 million
  - Net effect: 197 million

- **Q3 19 TTM:**
  - Inflow: 200 million
  - Outflow: 100 million
  - Net effect: 100 million

**EXCELLENCE INNOVATION PEOPLE GROWTH**
## Leverage

<table>
<thead>
<tr>
<th>Net Debt to Adjusted EBITDA (TTM)</th>
<th>As reported</th>
<th>excluding IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal guideline</td>
<td>1.0x to 2.0x</td>
<td>1.5x to 2.5x</td>
</tr>
<tr>
<td>Q3 19</td>
<td>1.6x (1)</td>
<td>2.1x</td>
</tr>
</tbody>
</table>

(1) Net debt/adjusted EBITDA is a non-IFRS measure discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management’s Discussion & Analysis and was calculated using a proforma IFRS 16 adjustment for Q4 18 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.
2020 Guidance

SR 90 (Tamiami Trail) Bridging from East of Osceola Camp to West of Airboat Association of Florida
Miami-Dade County, Florida
### 2020 Guidance

#### Targets

(In millions of Canadian dollars, unless otherwise stated)

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA as % of net revenue (^\text{(note 1)})</td>
<td>15.5% to 16.5%</td>
</tr>
<tr>
<td>Adjusted net income as % of net revenue (^\text{(note 1)})</td>
<td>At or above 6.0%</td>
</tr>
<tr>
<td>Return on Invested Capital (^\text{(note 2)})</td>
<td>At or above 9.0%</td>
</tr>
</tbody>
</table>

#### Guidance

<table>
<thead>
<tr>
<th>Metric</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin as a % of net revenue</td>
<td>53% to 55%</td>
</tr>
<tr>
<td>Administrative and Marketing expenses as a % of net revenue</td>
<td>37% to 39%</td>
</tr>
<tr>
<td>Net Debt to Adjusted EBITDA</td>
<td>1.0x to 2.0x</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$75 to $80</td>
</tr>
<tr>
<td>Software additions</td>
<td>$3 to $7</td>
</tr>
<tr>
<td>Depreciation on property and equipment</td>
<td>$60 to $65</td>
</tr>
<tr>
<td>Depreciation on lease assets</td>
<td>$113 to $118</td>
</tr>
<tr>
<td>Amortization of intangible assets related to acquisitions</td>
<td>$34 to $39</td>
</tr>
<tr>
<td>All other Amortization of intangible assets</td>
<td>$14 to $18</td>
</tr>
<tr>
<td>Effective tax rate (without discrete transactions)</td>
<td>28%</td>
</tr>
<tr>
<td>Earnings pattern</td>
<td>40% in Q1 and Q4</td>
</tr>
<tr>
<td>Days sales outstanding (DSO) (^\text{(notes 1, 3)})</td>
<td>60% in Q2 and Q3</td>
</tr>
<tr>
<td>Days sales outstanding (DSO)</td>
<td>90 days</td>
</tr>
</tbody>
</table>

---

\(^\text{Note 1}\): EBITDA, adjusted EBITDA, and adjusted net income are non-IFRS measures and DSO is a metric (discussed in the Definitions section of our MD&A found in Stantec’s 2019 Third Quarter Report and in 2018 Annual report).

\(^\text{Note 2}\): ROIC is a non-IFRS metric we use to evaluate our returns generated on our debt and equity capital. It represents our net income before tax adjusted interest relative to our average aggregate debt and shareholders’ equity. Our method of calculating ROIC may differ from methods presented by other companies.

\(^\text{Note 3}\): DSO of 90 days includes deferred revenue. Excluding deferred revenue, DSO would be 103 days.