Investor Presentation
March 2020

Joint Venture with Snohetta
Temple University – Charles Library
Philadelphia, Pennsylvania, USA
Photo credit: Michael Grimm
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 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 provide 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 2019 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

- STN TSX & NYSE
- 350 Locations Worldwide
- CDN $3.9B (2) Market Cap
- 22,000 Employees Globally
- CDN $3.7B Annual Net Revenue (1)
- 65 YEARS Of Uninterrupted Profitability

(1) FY 2019
(2) As of March 12, 2020
Where we are

Distribution of Net Revenue

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

$3.7B
FY 2019
What we do

Design & Engineering Services
For everything from small local projects to iconic mega projects

BUSINESS OPERATING UNITS  (FY 2019 Net Revenue)

<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>$1,055M</td>
<td>$828M</td>
<td>$736M</td>
<td>$567M</td>
<td>$525M</td>
</tr>
</tbody>
</table>
## Infrastructure

### Organic net revenue growth

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic net revenue growth</td>
<td>7.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

### Net revenue growth

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue growth</td>
<td>7.2%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

### Net revenue by sector

- Bridges
- Transit & Rail
- Community Development
- Roadways

### Net revenue by geography

- Global
- Canada
- United States

29% of Consolidated Net Revenue
## Buildings

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Organic net revenue growth</td>
<td>1.3%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Net revenue growth</td>
<td>15.0%</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

### Net revenue by sector
- Science & Technology
- Airports & Aviation
- Civic
- Education
- Industrial
- Healthcare
- Commercial

### Net revenue by geography
- Global
- Canada
- United States

22% of Consolidated Net Revenue
Water

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic net revenue growth</td>
<td>4.7%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Net revenue growth</td>
<td>4.3%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Net revenue by sector

- Private
- Public

Net revenue by geography

- Global
- Canada
- United States

Hyperion Advanced Water Purification Facility
Del Mar, Playa del Rey, CA, USA

20% of Consolidated Net Revenue
# Environmental Services

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Organic net revenue growth</td>
<td>13.2%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Net revenue growth</td>
<td>12.9%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

15% of Consolidated Net Revenue

- Private
- Public

**Net revenue by sector**
- Transportation
- Mining
- Community Development
- Buildings
- Power
- Oil & Gas
- Water

**Net revenue by geography**
- Global
- Canada
- United States

Lower Powers Creek
West Kelowna, British Columbia
Energy & Resources

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic net revenue growth (retraction)</td>
<td>0.1%</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Net revenue growth (retraction)</td>
<td>(0.9%)</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
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

Peace River Regional Reservoir
Bradenton/DeSoto County, Florida, United States
Our opportunity

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

STRATEGIC GROWTH OPPORTUNITIES

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

Ruwais Marina District
Rumais, Abu Dhabi, UAE

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue</td>
<td>&gt;10% CAGR</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>16-17%</td>
</tr>
<tr>
<td>Adjusted earnings per share</td>
<td>&gt;11% CAGR</td>
</tr>
<tr>
<td>Return on invested capital</td>
<td>&gt;10% CAGR</td>
</tr>
</tbody>
</table>

CAGR: Compound Annual Growth Rate

Of net revenue
Capital Allocation

Bhote Koshi Hydropower Project
Bhoti Koshi River, Sindhupalchok District, Nepal
We are driven to achieve

25 - 30%
Dividend pay out ratio

>11%
Adjusted EPS CAGR

>10%
Return on invested capital by 2022

Capital allocation strategy has evolved

More than $500M
Returned to shareholders since 2010

Capital Returned to Shareholders (millions US$)

- Share Repurchases
- Dividends

3-year plan

Significant Events:
- 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
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
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
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

Industry Recognition*

#1
Green design firm for educational facilities

#2
International design firm for sewer and waste

#3
Design firm in power for hydro plants

#4
International design firm for water

#5
Top 100 Smart City Partners

#6
Design firm in power for wind power

#7
Environmental firm

#8
Green building firm

#9
Design firm in power for hydro plants

#10
Design firm in North America

*ENR – Engineering News-Record 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
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:
• 95% compliance with mandatory ethics training in 2019

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
Q4 & Year-end 2019

Bridge Replacement Design for a Structure on Sturgeon Road over Sturgeon Creek
Winnipeg, Manitoba, Canada
## 2019 Review

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue Growth</td>
<td>10.6%</td>
<td></td>
</tr>
<tr>
<td>Organic Net Revenue Growth</td>
<td>4.4%</td>
<td></td>
</tr>
<tr>
<td>Acquisition Net Revenue Growth</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>$2.02</td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS Growth</td>
<td>11.0%</td>
<td></td>
</tr>
<tr>
<td>Return on Invested Capital</td>
<td>8.8%</td>
<td></td>
</tr>
</tbody>
</table>
Q4 2019 Overview

7.8% growth in net revenue driven by:

- 5.3% organic growth in all business operating units
- 2.8% acquisition growth mainly focused in Buildings

8.2% increase in gross margin reflecting continued focus on project execution and project mix

Q4 19 Organic net revenue growth (retraction)

<table>
<thead>
<tr>
<th></th>
<th>1.6%</th>
<th>9.6%</th>
<th>(0.5%)</th>
<th>1.3%</th>
<th>0.1%</th>
<th>13.2%</th>
<th>7.5%</th>
<th>4.7%</th>
<th>5.3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 19</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Net revenue in millions CAD

- United States
- Canada
- Global

$4.3 B gross revenue backlog

2% backlog increase from end of 2018

11 months of work

- Overall
- Canada
- United States
- Global

Q4 2019 Overview
# Adoption of IFRS 16

(millions of Canadian dollars except where noted)

<table>
<thead>
<tr>
<th>Impact on income statement items</th>
<th>Q4 19 as reported</th>
<th>Q4 19 excluding IFRS 16</th>
<th>Increase (decrease)</th>
<th>2019 as reported</th>
<th>2019 excluding IFRS 16</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative and marketing expenses</td>
<td>348.5</td>
<td>385.7</td>
<td>(37.2)</td>
<td>1,433.6</td>
<td>1,576.6</td>
<td>(143.0)</td>
</tr>
<tr>
<td>Depreciation of lease assets</td>
<td>30.6</td>
<td>-</td>
<td>30.6</td>
<td>115.8</td>
<td>-</td>
<td>115.8</td>
</tr>
<tr>
<td>Net interest expense</td>
<td>17.5</td>
<td>9.7</td>
<td>7.8</td>
<td>69.6</td>
<td>37.3</td>
<td>32.3</td>
</tr>
<tr>
<td>Net income</td>
<td>42.4</td>
<td>43.3</td>
<td>(0.9)</td>
<td>194.4</td>
<td>198.1</td>
<td>(3.7)</td>
</tr>
</tbody>
</table>

**Impact on non-IFRS financial measures** (1)

<table>
<thead>
<tr>
<th></th>
<th>Q4 19 as reported</th>
<th>Q4 19 excluding IFRS 16</th>
<th>Increase (decrease)</th>
<th>2019 as reported</th>
<th>2019 excluding IFRS 16</th>
<th>Increase (decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>140.0</td>
<td>102.8</td>
<td>37.2</td>
<td>576.0</td>
<td>433.0</td>
<td>143.0</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>142.8</td>
<td>105.6</td>
<td>37.2</td>
<td>574.4</td>
<td>431.4</td>
<td>143.0</td>
</tr>
<tr>
<td>Net debt/adjusted EBITDA</td>
<td>1.1x</td>
<td>1.5x</td>
<td></td>
<td></td>
<td>(0.4)x</td>
<td></td>
</tr>
</tbody>
</table>

(1) Non-IFRS measures are discussed in the Definitions section of our 2019 Annual Report.
### Q4 & FY 2019 Results

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

<table>
<thead>
<tr>
<th></th>
<th>Q4 19</th>
<th>Q4 18</th>
<th>FY 2019</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>% of Net Revenue</td>
<td>$</td>
<td>% of Net Revenue</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>1,210.2</td>
<td>134.3 %</td>
<td>1,083.9</td>
<td>129.7 %</td>
</tr>
<tr>
<td>Net revenue</td>
<td>901.0</td>
<td>100.0 %</td>
<td>835.6</td>
<td>100.0 %</td>
</tr>
<tr>
<td>Gross margin</td>
<td>486.3</td>
<td>54.0 %</td>
<td>449.4</td>
<td>53.8 %</td>
</tr>
<tr>
<td>Administrative and marketing expenses</td>
<td>348.5</td>
<td>38.7 %</td>
<td>382.7</td>
<td>45.8 %</td>
</tr>
<tr>
<td>EBITDA from continuing operations</td>
<td>140.0</td>
<td>15.5 %</td>
<td>61.2</td>
<td>7.3 %</td>
</tr>
<tr>
<td>Net income from continuing operations</td>
<td>42.4</td>
<td>4.7 %</td>
<td>21.2</td>
<td>2.5 %</td>
</tr>
<tr>
<td>Basic and diluted earnings per share (EPS) from continuing operations</td>
<td>0.38</td>
<td>0.19 %</td>
<td>0.19</td>
<td>1.74 %</td>
</tr>
<tr>
<td>Adjusted EBITDA from continuing operations</td>
<td>142.8</td>
<td>15.8 %</td>
<td>84.2</td>
<td>10.1 %</td>
</tr>
<tr>
<td>Adjusted net income from continuing operations</td>
<td>52.3</td>
<td>5.8 %</td>
<td>45.5</td>
<td>5.4 %</td>
</tr>
<tr>
<td>Adjusted basic and diluted EPS from continuing operations</td>
<td>0.47</td>
<td>0.40 %</td>
<td>2.02</td>
<td></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 2019 Annual Report.)
2019 Results Versus Guidance
Expressed as a percent of net revenue & revised for IFRS 16

<table>
<thead>
<tr>
<th>Gross Margin</th>
<th>49.0%</th>
<th>50.0%</th>
<th>51.0%</th>
<th>52.0%</th>
<th>53.0%</th>
<th>54.0%</th>
<th>55.0%</th>
<th>56.0%</th>
<th>57.0%</th>
<th>58.0%</th>
<th>59.0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin &amp; Marketing</td>
<td>33.0%</td>
<td>34.0%</td>
<td>35.0%</td>
<td>36.0%</td>
<td>37.0%</td>
<td>38.0%</td>
<td>39.0%</td>
<td>40.0%</td>
<td>41.0%</td>
<td>42.0%</td>
<td>43.0%</td>
</tr>
<tr>
<td>Adjusted EBITDA(^{(1)})</td>
<td>11.0%</td>
<td>12.0%</td>
<td>13.0%</td>
<td>14.0%</td>
<td>15.0%</td>
<td>16.0%</td>
<td>17.0%</td>
<td>18.0%</td>
<td>19.0%</td>
<td>20.0%</td>
<td>21.0%</td>
</tr>
<tr>
<td>Adjusted Net Income(^{(1)})</td>
<td>1.0%</td>
<td>2.0%</td>
<td>3.0%</td>
<td>4.0%</td>
<td>5.0%</td>
<td>6.0%</td>
<td>7.0%</td>
<td>8.0%</td>
<td>9.0%</td>
<td>10.0%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Adjusted EBITDA and adjusted net income are non-IFRS measures discussed in the Definition section of our 2019 Annual Report.
Liquidity and Capital Resources

Cash Flow from Continuing Operations
(millions of Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2019 excluding IFRS 16</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflow (Outflow)</td>
<td>as reported</td>
<td>excluding IFRS 16</td>
<td>as reported</td>
</tr>
<tr>
<td>Operating</td>
<td>449.9</td>
<td>333.2</td>
<td>205.2</td>
</tr>
<tr>
<td>Investing</td>
<td>(135.2)</td>
<td>(84.8)</td>
<td>(220.9)</td>
</tr>
<tr>
<td>Financing</td>
<td>(286.0)</td>
<td>(219.7)</td>
<td>(23.9)</td>
</tr>
<tr>
<td>Net effect</td>
<td>28.7</td>
<td>28.7</td>
<td>(39.6)</td>
</tr>
</tbody>
</table>

Sources and Uses of Cash

- **FY 2019**
  - Sources
    - Cash
    - Acquisitions
    - Share repurchases
  - Uses
    - Credit facility
    - Capital assets
    - Other

- **FY 2018**
  - Sources
    - Cash
    - Acquisitions
    - Share repurchases
  - Uses
    - Credit facility
    - Capital assets
    - Other
# Leverage

<table>
<thead>
<tr>
<th>Net Debt to Adjusted EBITDA</th>
<th>As reported excluding IFRS 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal guideline</td>
<td>1.0x to 2.0x</td>
</tr>
<tr>
<td>December 31, 2019</td>
<td>1.1x (1)</td>
</tr>
</tbody>
</table>

(1) Net debt/adjusted EBITDA is a non-IFRS measure discussed in the Definition section of our 2019 Annual Report.
Geographies

Stanile Tower
Edmonton, Alberta
Quarterly Highlights

Continued organic growth in Environmental Services and Transportation

Some retraction in Power and Water

New mining projects and TransMountain spurred growth in Energy & Resources

<table>
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<tbody>
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<td>Net revenue growth</td>
<td>1.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Organic net revenue growth</td>
<td>1.6%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Backlog at December 31, 2019</td>
<td></td>
<td>$1.0B</td>
</tr>
</tbody>
</table>
United States

Quarterly Highlights

Continued growth in Transportation, Environmental Services, and Water

Ramp-up of renewable Power projects

Increased midstream Oil & Gas projects

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</tr>
<tr>
<td>Organic net revenue growth</td>
<td>9.6%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Backlog at December 31, 2019</td>
<td></td>
<td>$2.6B</td>
</tr>
</tbody>
</table>
Quarterly Highlights

Slight organic retraction due to declining commodity prices, project wind downs and slowing UK Transportation sector

Continued growth in Environmental Services

Steady work in UK AMP projects

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<tr>
<td>Organic net revenue growth (retraction)</td>
<td>(0.5%)</td>
<td>4.7%</td>
</tr>
<tr>
<td>Backlog at December 31, 2019</td>
<td>$630M</td>
<td></td>
</tr>
</tbody>
</table>
2020 Guidance

SEVA résidences – foot bridge and marsh development
Candiac, Québec
## 2020 targets and guidance

### Targets:

| Adjusted EBITDA<sup>(1)</sup> (% of net revenue) | 11.5% | 12.5% | 13.5% | 14.5% | 15.5% | 16.5% | 17.5% | 18.5% | 19.5% | 20.5% |
| Adjusted Net Income<sup>(1)</sup> (% of net revenue) | 1.0% | 2.0% | 3.0% | 4.0% | 5.0% | 6.0% | 7.0% | 8.0% | 9.0% | 10.0% | 11.0% |
| Return on Invested Capital | 4.0% | 5.0% | 6.0% | 7.0% | 8.0% | 9.0% | 10.0% | 11.0% | 12.0% | 13.0% | 14.0% |

### Guidance:

| Gross Margin (% of net revenue) | 49.0% | 50.0% | 51.0% | 52.0% | 53.0% | 54.0% | 55.0% | 56.0% | 57.0% | 58.0% | 59.0% |
| Admin & Marketing Expenses (% of net revenue) | 33.0% | 34.0% | 35.0% | 36.0% | 37.0% | 38.0% | 39.0% | 40.0% | 41.0% | 42.0% | 43.0% |
| Net Debt to Adjusted EBITDA | 0.0 | 1.0 | 2.0 | 3.0 | 4.0 | 5.0 | 6.0 | 7.0 | 8.0 | 9.0 | 10.0 |

<sup>(1)</sup> Adjusted EBITDA, adjusted net income, and ROIC are non-IFRS measures (discussed in the Definition section of our 2019 Annual Report).
# 2020 Guidance

<table>
<thead>
<tr>
<th>Targets</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In millions of Canadian dollars, unless otherwise stated)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA as % of net revenue (1)</td>
<td>15.5% to 16.5%</td>
</tr>
<tr>
<td>Adjusted net income as % of net revenue (1)</td>
<td>At or above 6.0%</td>
</tr>
<tr>
<td>Return on invested capital (1)</td>
<td>At or above 9.0%</td>
</tr>
</tbody>
</table>

## Guidance

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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Gross margin as % of net revenue</td>
<td>53% to 55%</td>
</tr>
<tr>
<td>Administrative and marketing expenses as % of net revenue</td>
<td>37% to 39%</td>
</tr>
<tr>
<td>Net debt to adjusted EBITDA (1)</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>27.5% to 28.5%</td>
</tr>
<tr>
<td>Earnings pattern</td>
<td>40% in Q1 and Q4</td>
</tr>
<tr>
<td>Day sales outstanding (includes deferred revenue) (1)</td>
<td>90 days</td>
</tr>
</tbody>
</table>

(1) Adjusted EBITDA, and adjusted net income are non-IFRS measures and ROIC and DSO are metrics (discussed in the Definitions section of Stantec’s 2019 Annual Report).
Thank You!