



STN
TSX: NYSE

EXCELLENCE · INNOVATION · PEOPLE · GROWTH



Investor Presentation

September 2020

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

PEOPLE · EXCELLENCE · INNOVATION · GROWTH



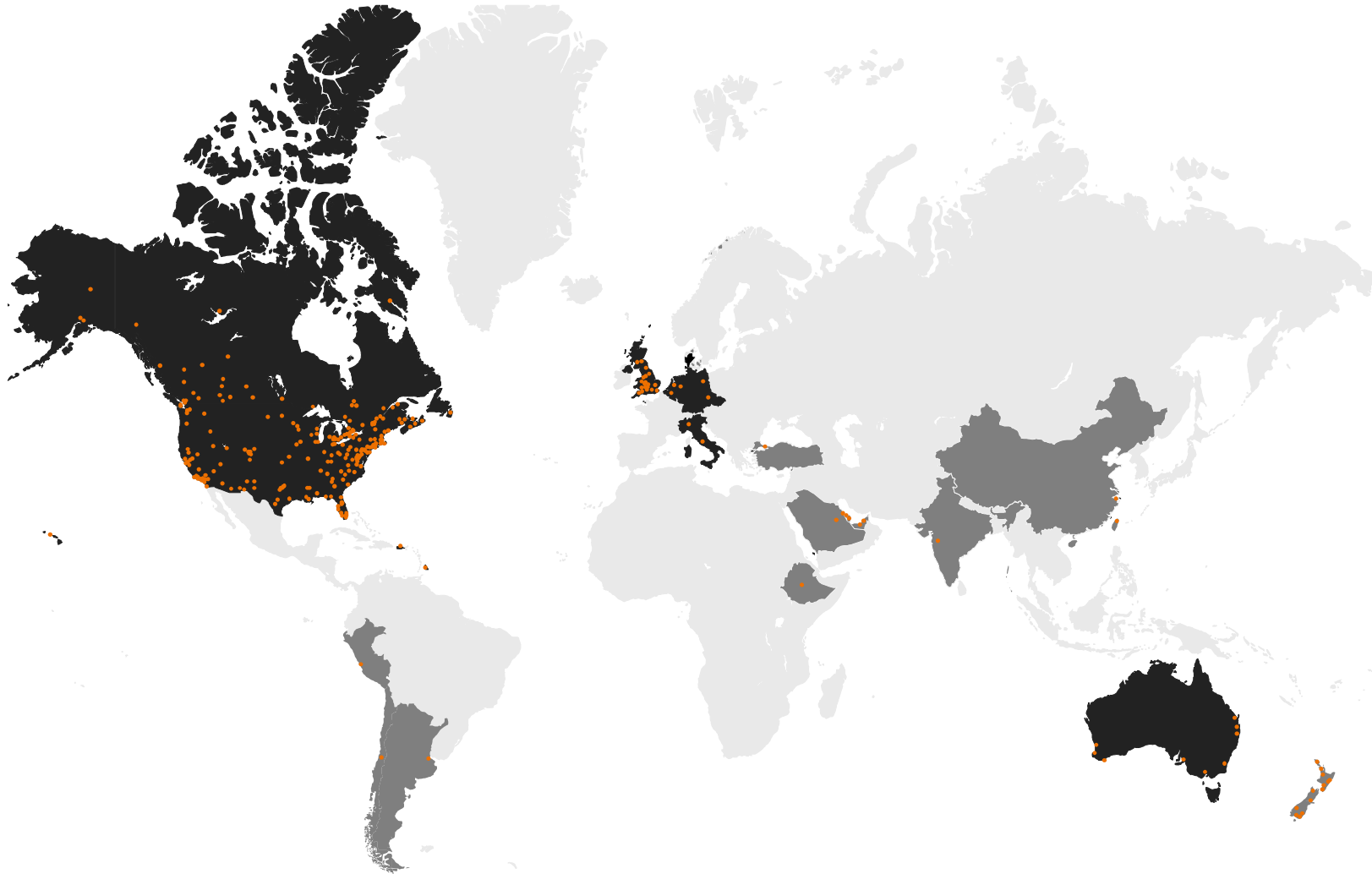
Cautionary Note Regarding Forward-Looking Statements

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.

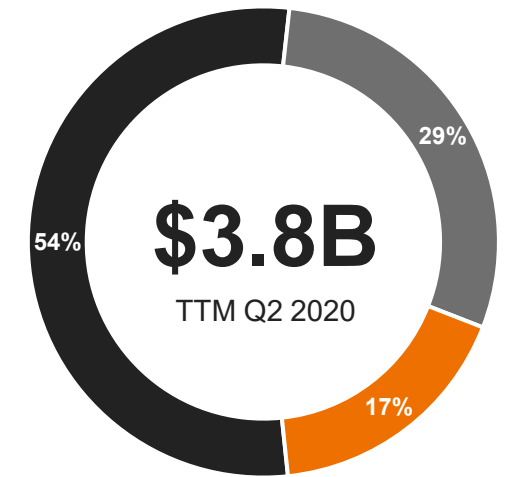
By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Readers are cautioned not to place undue reliance on our forward-looking statements since a number of factors could cause actual future results, conditions, actions, or events 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 and Q2 2020 Management's Discussion and Analysis incorporated herein by reference. Readers can access these documents 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.

Diversified Global Footprint – Local Presence



Distribution of Net Revenue



■ United States ■ Canada ■ Global



Stantec at a glance

22,000

Employees Globally

6.6%

10-Year Adjusted Diluted
EPS CAGR⁽¹⁾

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350

Locations Worldwide

65 YEARS

Of Uninterrupted Profitability

CDN \$4.5B⁽²⁾

Market Capitalization

(1) TTM Q2 2020

(2) As of October 7, 2020








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EXCELLENCE INNOVATION PEOPLE GROWTH

Design & Engineering Services

For everything from small local projects to iconic mega projects

BUSINESS OPERATING UNITS (TTM Q2 2020 Net Revenue)

INFRASTRUCTURE	BUILDINGS	WATER	ENVIRONMENTAL SERVICES	ENERGY & RESOURCES
\$1,066M	\$828M	\$754M	\$570M	\$542M
				

Stantec is a signatory to the UN Global Compact and partners with clients to promote the achievement of the UN's Sustainable Development Goals





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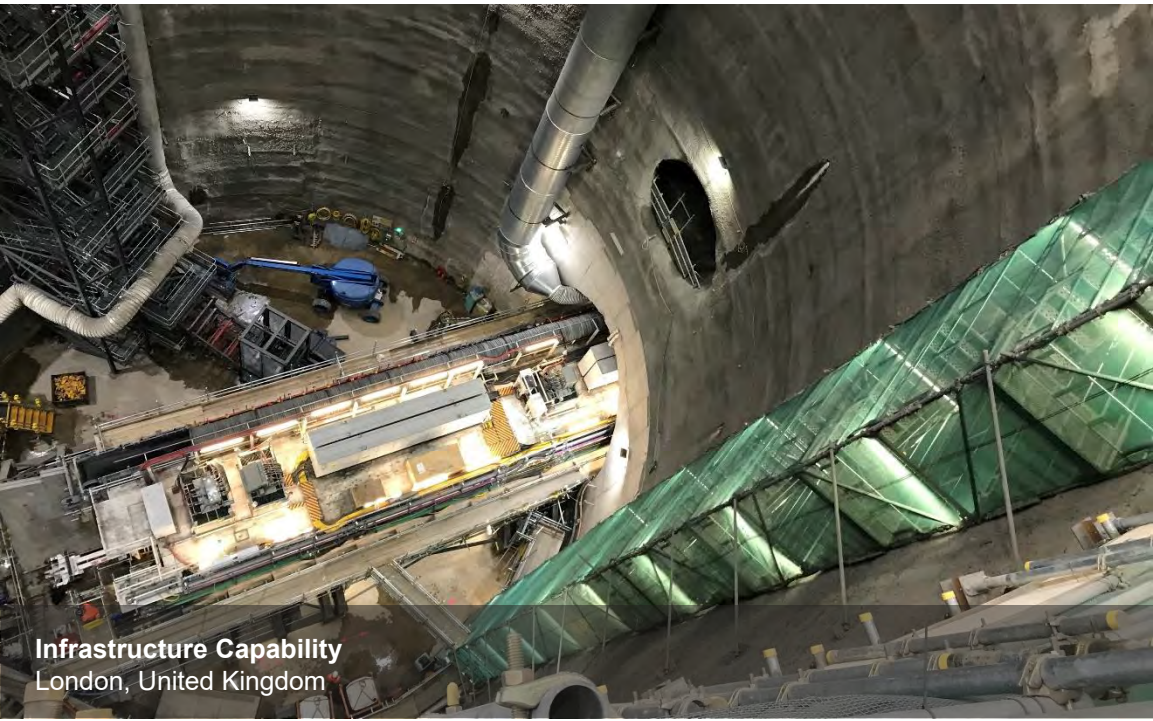
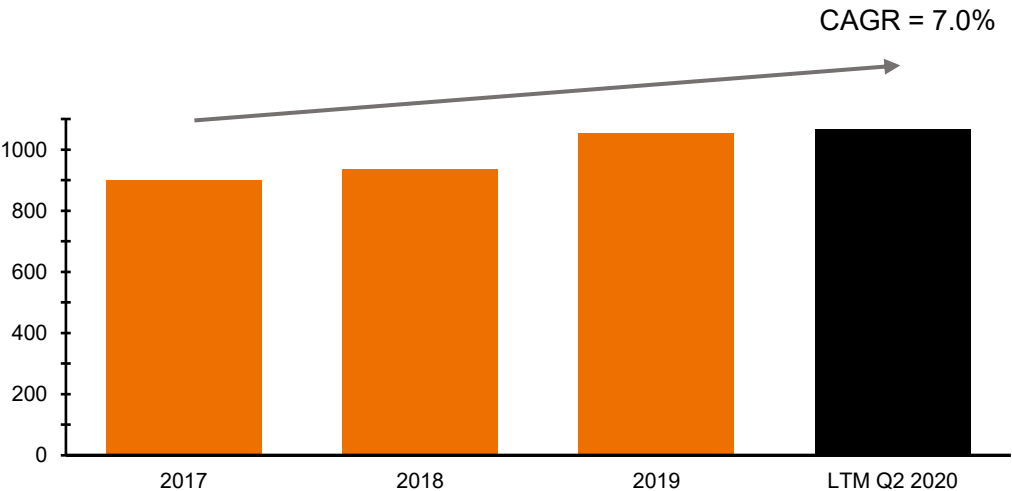
Infrastructure

Front-end design and engineering services and some construction management and inspection work for private and public sector clients

28%

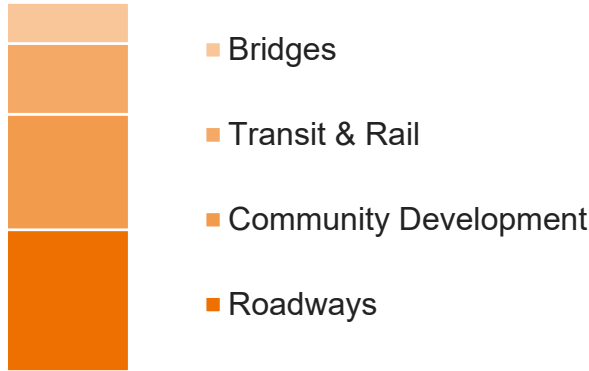
% of Net Revenue Q2 2020 YTD

Net Revenue (C\$ Millions)

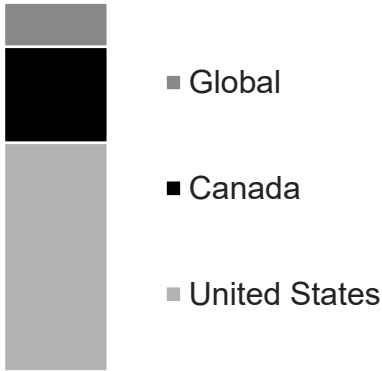


Infrastructure Capability
London, United Kingdom

Net revenue by sector Q2 2020 YTD



Net revenue by geography Q2 2020 YTD





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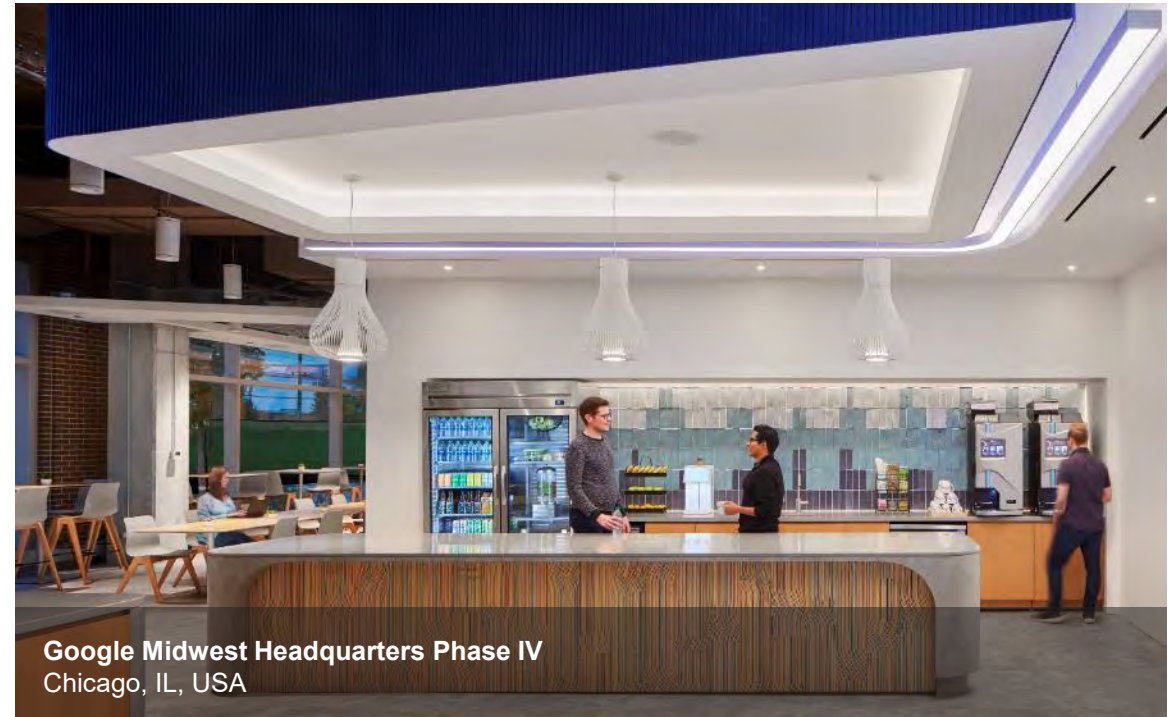
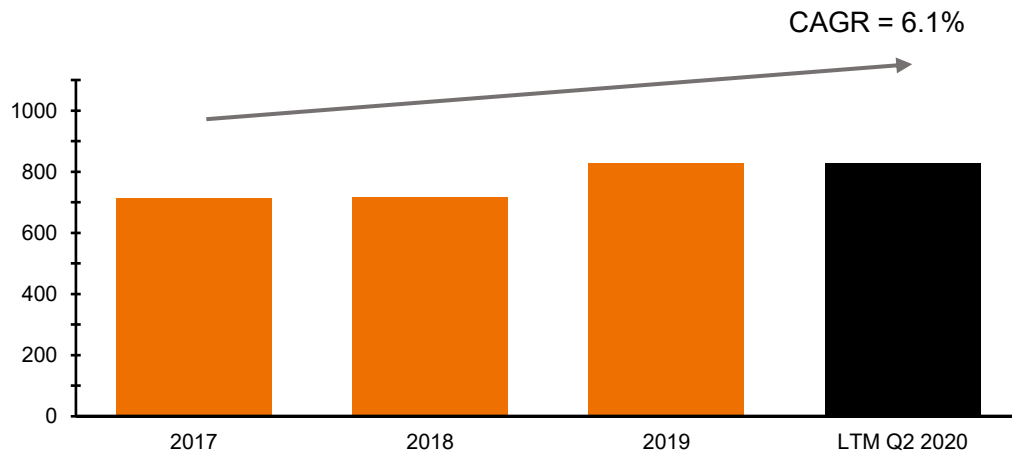
Buildings

Pre-design, design, and construction administration services in planning, architecture, interior design, buildings engineering, and sustainability and building performance for vertical infrastructure, with greater weighting towards public vs private sector clients.

22%

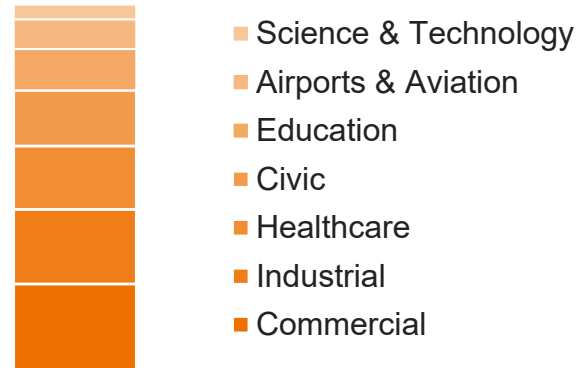
% of Net Revenue Q2 2020 YTD

Net Revenue (C\$ Millions)

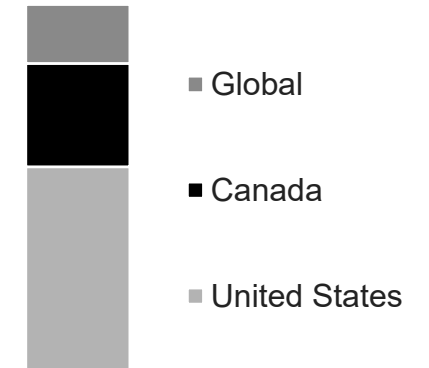


Google Midwest Headquarters Phase IV
Chicago, IL, USA

Net revenue by sector Q2 2020 YTD



Net revenue by geography Q2 2020 YTD





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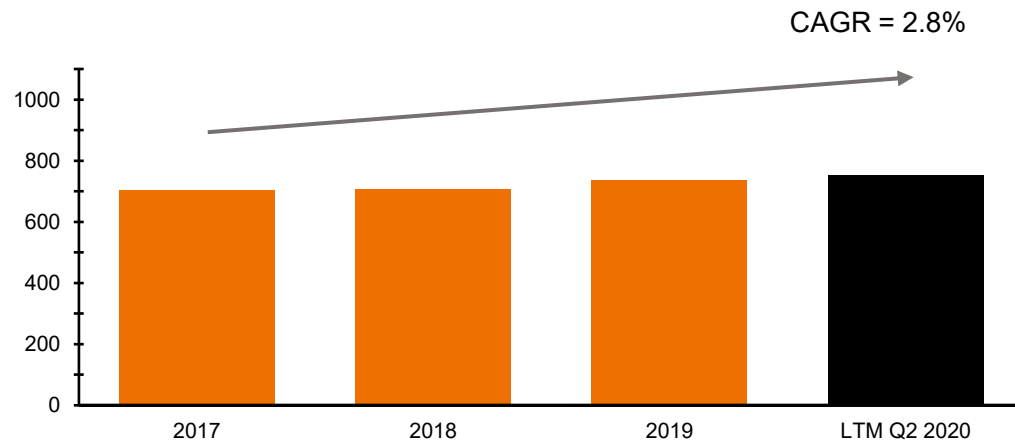
Water

Traditional planning, engineering, design, and construction management services augmented with financial and enterprise management, program and asset management, and intelligent platforms for public and private sector clients

21%

% of Net Revenue Q2 2020 YTD

Net Revenue (C\$ Millions)

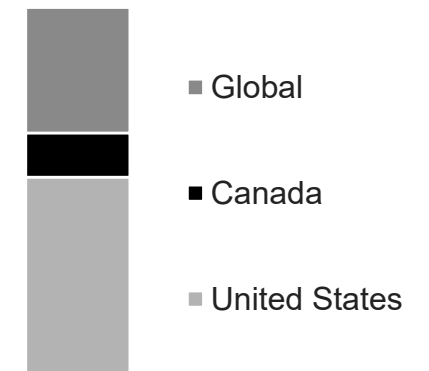


King's Scholars Pond Sewer Rehabilitation
London, United Kingdom

Net revenue by sector Q2 2020 YTD



Net revenue by geography Q2 2020 YTD





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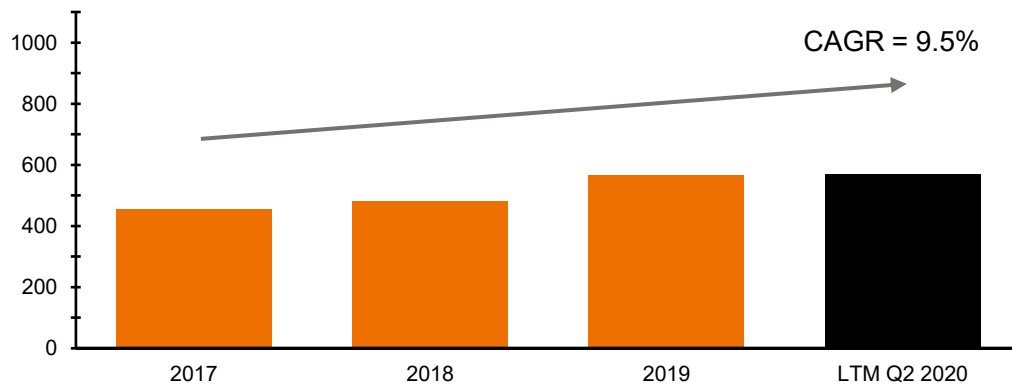
Environmental Services

Planning and permitting services for private sector clients, and remediation activities for private and public sector clients

14%

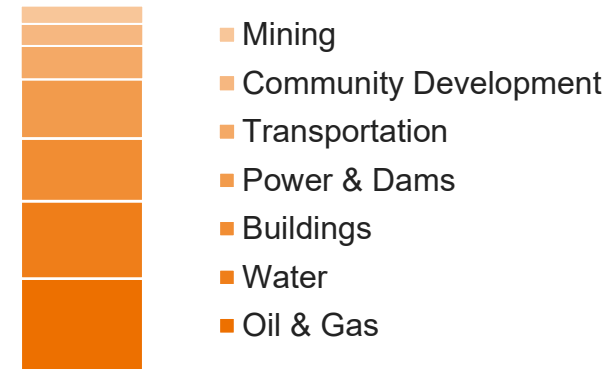
% of Net Revenue Q2 2020 YTD

Net Revenue (C\$ Millions)

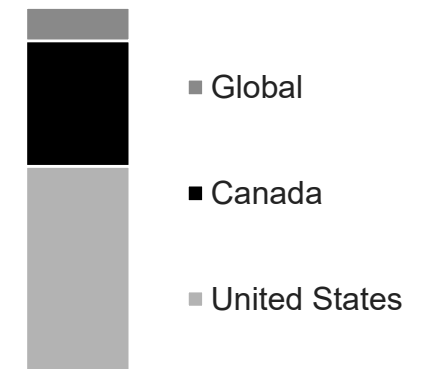


Barrow Island Vegetation Recognition
Barrow Island, Australia

Net revenue by sector Q2 2020 YTD



Net revenue by geography Q2 2020 YTD





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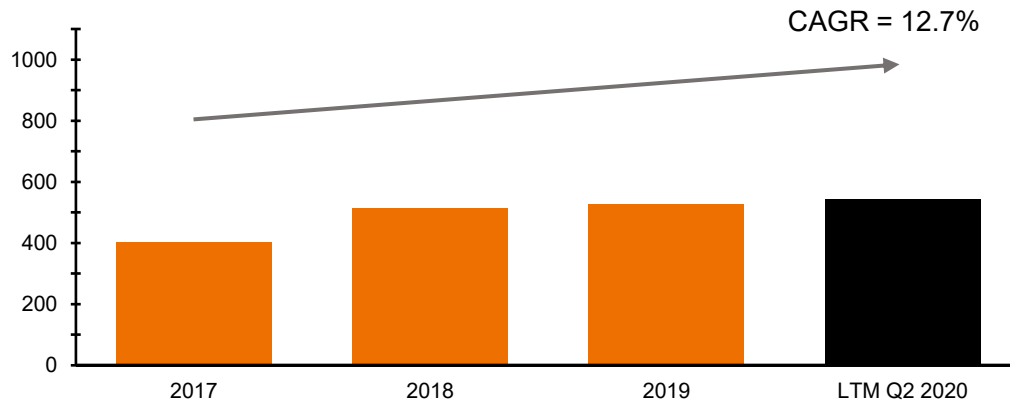
Energy & Resources

Industrial engineering services for private sector energy, resource, and power clients

15%

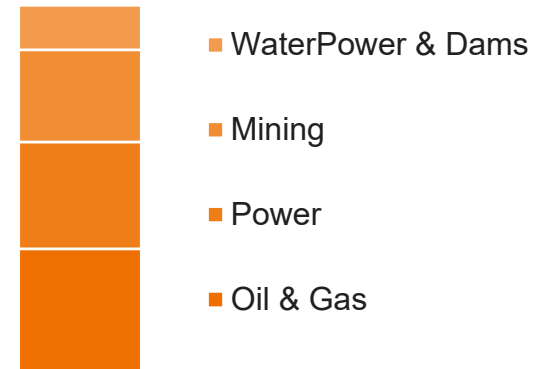
% of Net Revenue Q2 2020 YTD

Net Revenue (C\$ Millions)

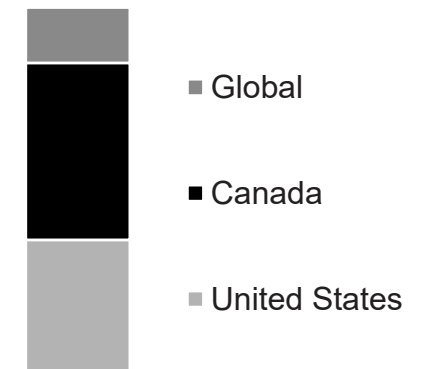


Dokie Wind Energy Project
British Columbia

Net revenue by sector Q2 2020 YTD



Net revenue by geography Q2 2020 YTD





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YTD Results and 2020 Outlook

Brucejack Mine
Stewart, British Columbia, Canada

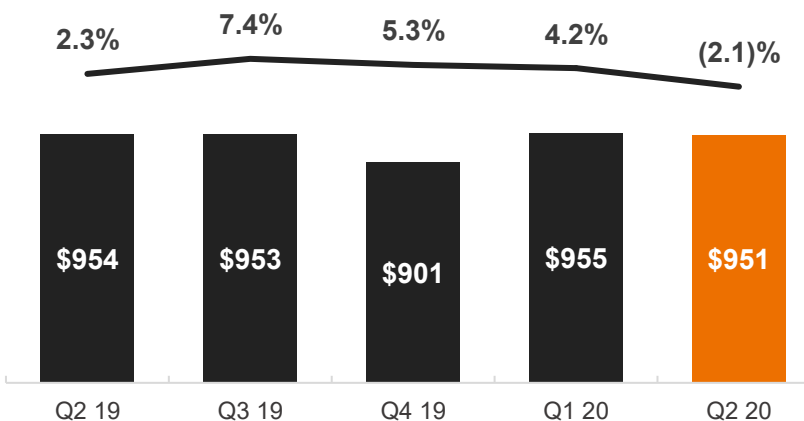
YTD 2020 results

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

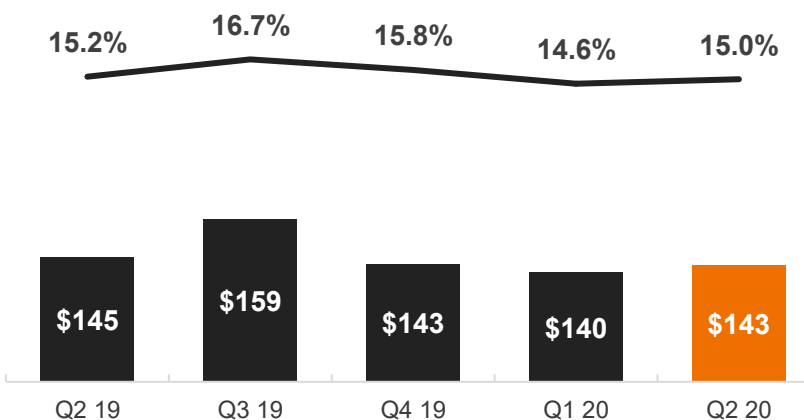
	YTD 20		YTD 19		Change
	\$	% of Net Revenue	\$	% of Net Revenue	% Year-over-year change
Net revenue	1,906.3	100.0	1,857.7	100.0	2.6
Gross margin	996.4	52.3	1,006.0	54.2	(1.0)
Administrative and marketing expenses	711.3	37.3	729.5	39.3	(2.5)
EBITDA from continuing operations⁽¹⁾	263.5	13.8	278.1	15.0	(5.2)
Net income from continuing operations	82.1	4.3	94.2	5.1	(12.8)
Diluted earnings per share (EPS) from continuing operations	0.74	-	0.84	-	(11.9)
Adjusted EBITDA from continuing operations⁽¹⁾	282.2	14.8	272.5	14.7	3.6
Adjusted net income from continuing operations⁽¹⁾	112.0	5.9	106.4	5.7	5.3
Adjusted diluted EPS from continuing operations⁽¹⁾	1.00	-	0.95	-	5.3

⁽¹⁾ EBITDA, adjusted EBITDA, adjusted net income, and adjusted diluted EPS are non-IFRS measures (discussed in the Definitions section of Stantec's 2019 Annual Report and Q2 2020 Management's Discussion and Analysis).

Net revenue & organic growth (retraction) (\$ millions, %)



Adjusted EBITDA and margin (\$ millions, %)

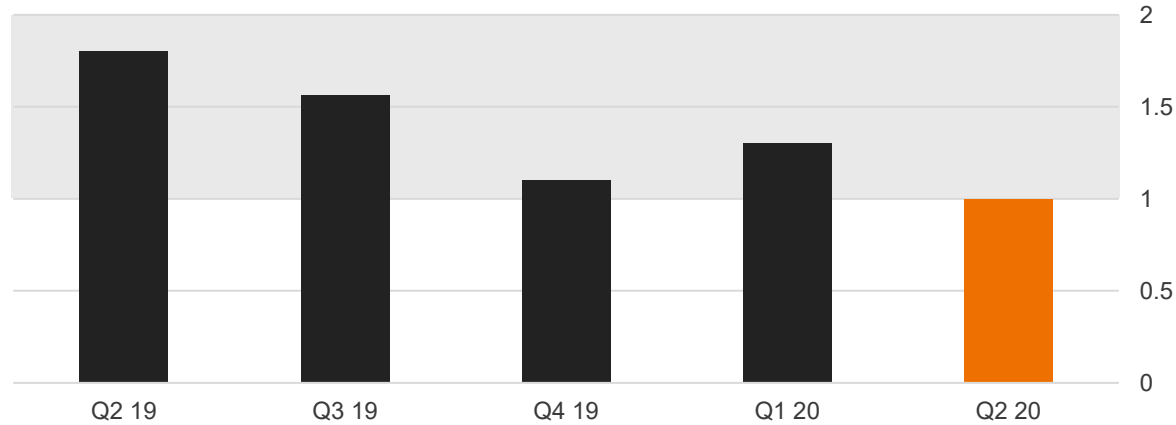




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Balance sheet strength

Net debt to adjusted EBITDA⁽¹⁾ (TTM)



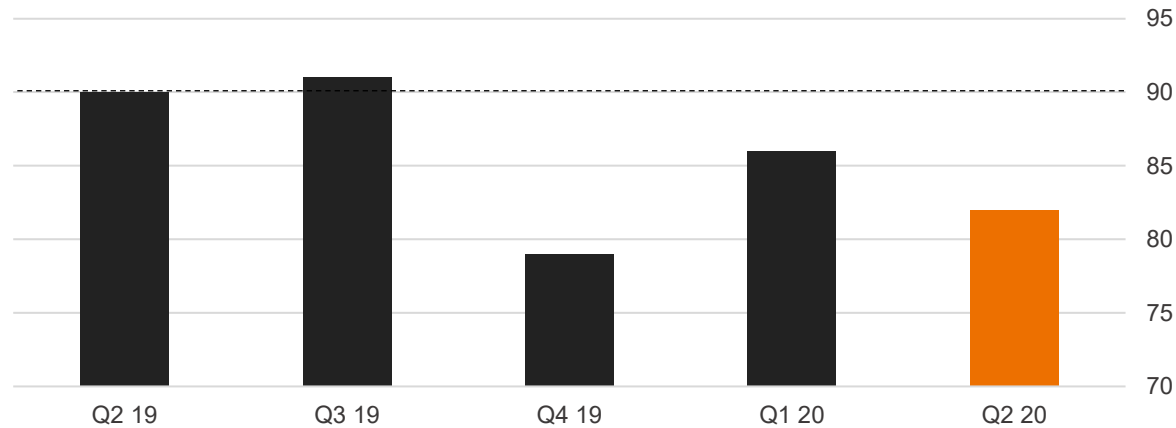
Net debt to adjusted EBITDA⁽¹⁾

1.0x at June 30, 2020

Target range

1.0 - 2.0x

Days sales outstanding



Days sales outstanding

82 days at June 30, 2020

Target

90 days

⁽¹⁾ Net debt to adjusted EBITDA and days sales outstanding are non-IFRS measures.
(discussed in the Definitions section of Stantec's 2019 Annual Report and Q2 2020 Management's Discussion and Analysis).

Liquidity and capital allocation

(Comparisons to YTD 2019)

- **\$148.5 MM** improvement in free cash flow⁽¹⁾
- **57%** decrease in capital expenditures
- **>\$330** million in undrawn credit capacity

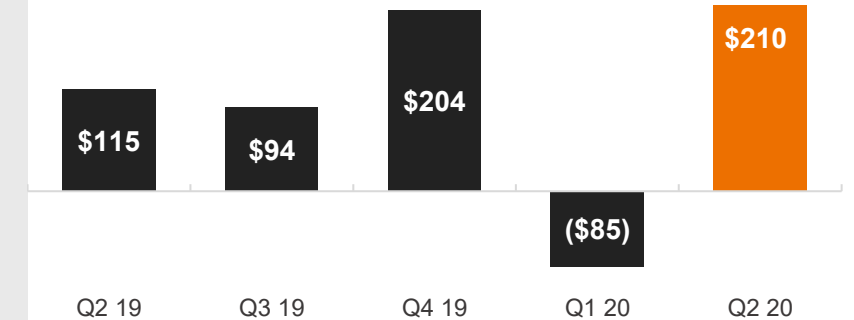
Cash flow from continuing operations

(millions of Canadian dollars)

	YTD 20	YTD 19
Inflow (Outflow)		
Operating	206.1	73.8
Investing	(31.8)	(116.8)
Financing	(124.6)	(20.8)
Net	49.7	(63.8)

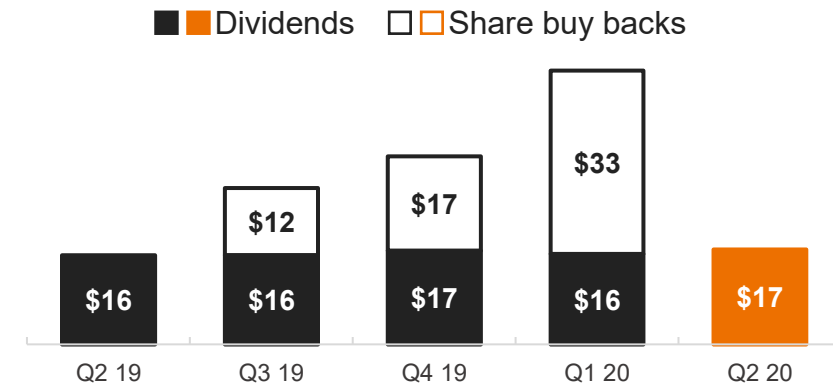
Free cash flow⁽¹⁾

(\$ millions)



Capital returned to shareholders

(\$ millions)



⁽¹⁾ Free cash (out)flow is defined as operating cash flows less capital expenditures and net payment of lease obligations.



2020 Outlook

Net Revenue and Adjusted Earnings

- Full-year 2020 net revenue expected to be comparable to 2019
- Adjusted net income and adjusted diluted EPS comparable to 2019
- 55% of adjusted earnings in Q2 and Q3, and 45% in Q1 and Q4

Leverage

- Net debt to adjusted EBITDA expected to be at the low end of internal range of 1.0x to 2.0x
- No near-term debt maturities
- More than 70% of debt is floating rate

Liquidity & Capital Allocation

- >\$330 million available liquidity on committed revolving credit facility (\$600 million also available through accordion)
- Non-essential capital expenditures on hold
- Dividend re-affirmed
- Share repurchases on opportunistic basis

Continued balance sheet strength and disciplined capital deployment



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ESG leadership that drives value

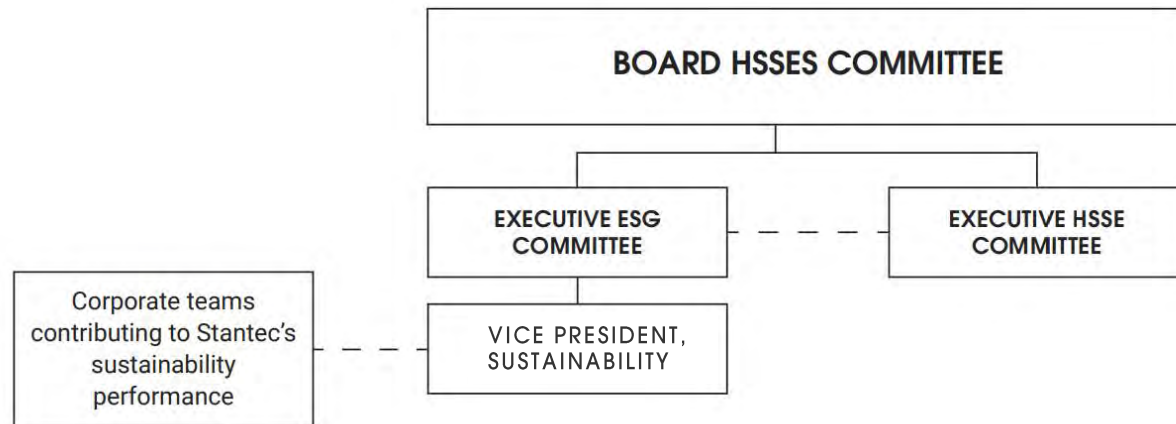
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Maida Vale Flood Alleviation Scheme
North West London, United Kingdom

ESG governance at Stantec

Sustainability and our contributions to the UN's sustainable development goals is a priority at the board level, C-suite and throughout Stantec

Sustainability Governance Structure



Board Health, Safety, Security, Environment & Sustainability Committee

Members include:

- Donald J. Lowry (chair)
- Patricia D. Galloway
- Robert J. Gomes

Executive ESG Committee

Coordinated by the VP of Sustainability, its members include the:

- Chief financial officer (chair)
- Chief operating officer - Global
- Chief human resources officer
- SVP of Corporate Strategy
- SVP of Environmental Services
- VP Associate General Counsel
- VP Practice Services
- VP Sustainability
- Regional Leader of Europe

Stantec's ESG framework

Stantec is a signatory to the UN Global Compact and has adopted the UN's sustainable development goals (SDGs)

Member of the UN Global Compact CFO Taskforce for the SDGs

our actions

Impact through

our project work

In addition to UN SDGs, Stantec's programs take into account
GRI, TCFD, SASB, and CDP

SUSTAINABLE DEVELOPMENT GOALS





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Environmental leadership

Stewardship and innovation that drives value

Stantec's recognized leadership in sustainable design helps win projects

Industry Recognition*

*ENR – Engineering News-Record Magazine

#1

Green design firm for educational facilities

#2

Green building firm

#4

Design firm in North America

#1

International design firm for sewer and waste

#2

Design firm in power for hydro plants

#8

Environmental Firm

#2

International design firm for water

#4

Design firm in power for wind power

#11

Design firm in the world

Recent accolades

Corporate Knights 2020

Ranked as Top 100 Most Sustainable Companies in the World

CDP Climate Leader

2019 CDP score of A-

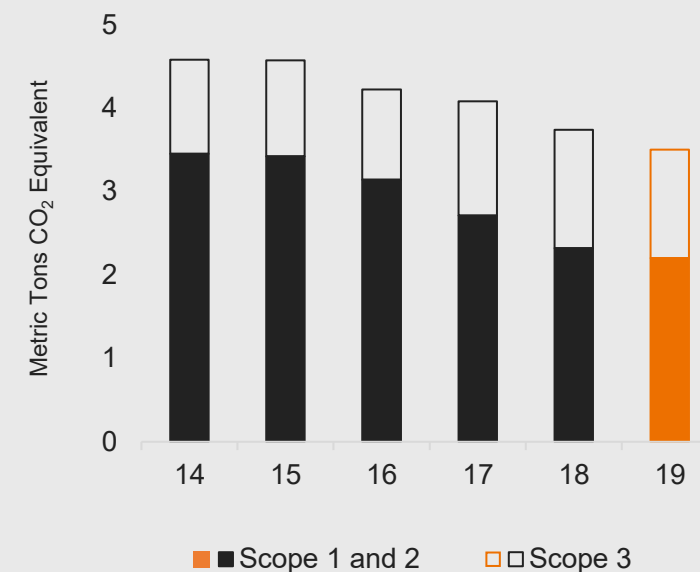
Top 100 Smart City Partners

Newsweek magazine



In 2019 we achieved a 39% reduction in scope 1 and 2 emissions per employee from our 2013 baseline – We expect to surpass our 2028 reduction target of 40%

Emissions per Employee by Year





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Social leadership

Embracing and engaging diverse groups

improves the performance of our business and our ability to support clients.

STN is included in the **Bloomberg Gender-Equality** and **Jantzi Social** Indexes

8 DECENT WORK AND ECONOMIC GROWTH



Stantec attracts, retains, develops, and rewards talent by paying fairly, providing benefits with meaningful choices and offering a consistent global approach while being sensitive to local market practices.

Employee Retention:
Targeting < 12% voluntary turnover

5 GENDER EQUALITY



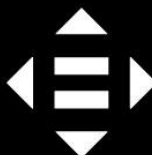
Global Compact Network Canada - Gender Equality Leadership in the Canadian Private Sector Project participant. Signatory to UN Women Empowerment Principles.

Board of Director Composition



Gender
■ 38% Female
■ 62% Male

10 REDUCED INEQUALITIES



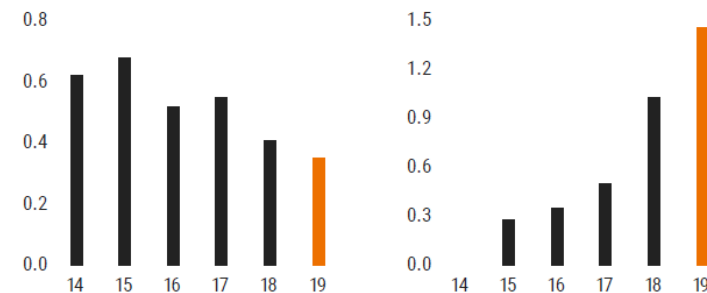
Currently expanding our long-term support for diversity and inclusion programs with a focus on Black, Indigenous and People of Color communities around the world.

Inclusion and Diversity:
Targeting > 85% engagement

3 GOOD HEALTH AND WELL-BEING



Stantec's SaferTogether™ culture encourages safe choices so our people return home safely each day. Stantec's safety metrics continue to improve



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 preventive 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.

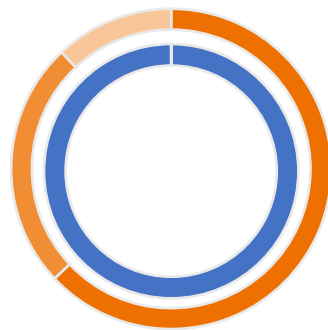
Strong governance

A diverse board and values-based leadership

Stantec's board is dominated by independent directors from exceptional backgrounds.

Our leadership is driven by clear values that position Stantec for the future

Board Composition and Experience



Environmental and Social Factors

- 63% highly experienced
- 25% general experience
- 12% limited experience

Governance

- 100% highly experienced



How Stantec's people conduct themselves has a direct impact on the integrity of both the Company and the institutions in the jurisdictions where we operate

95% compliance with mandatory ethics training in 2019



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TEXT IN USE

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Our Strategic Plan

(Launched December 3, 2019)

SEVA résidences – foot bridge and marsh development
Candiac, Québec





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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**



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Our opportunity

Key Market Trends

Climate change, Urbanization, Geopolitics and breakthrough technology

STRATEGIC GROWTH OPPORTUNITIES



COASTAL RESILIENCE

US \$300B¹



ECOSYSTEM
RESTORATION

US \$9,000B¹



SMART CITIES AND
URBAN PLACES

US \$1,700B²



ENERGY
REMIX

US \$13,040B³

US\$24T

TOTAL SPEND IN
THE NEXT DECADE



US\$2T

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

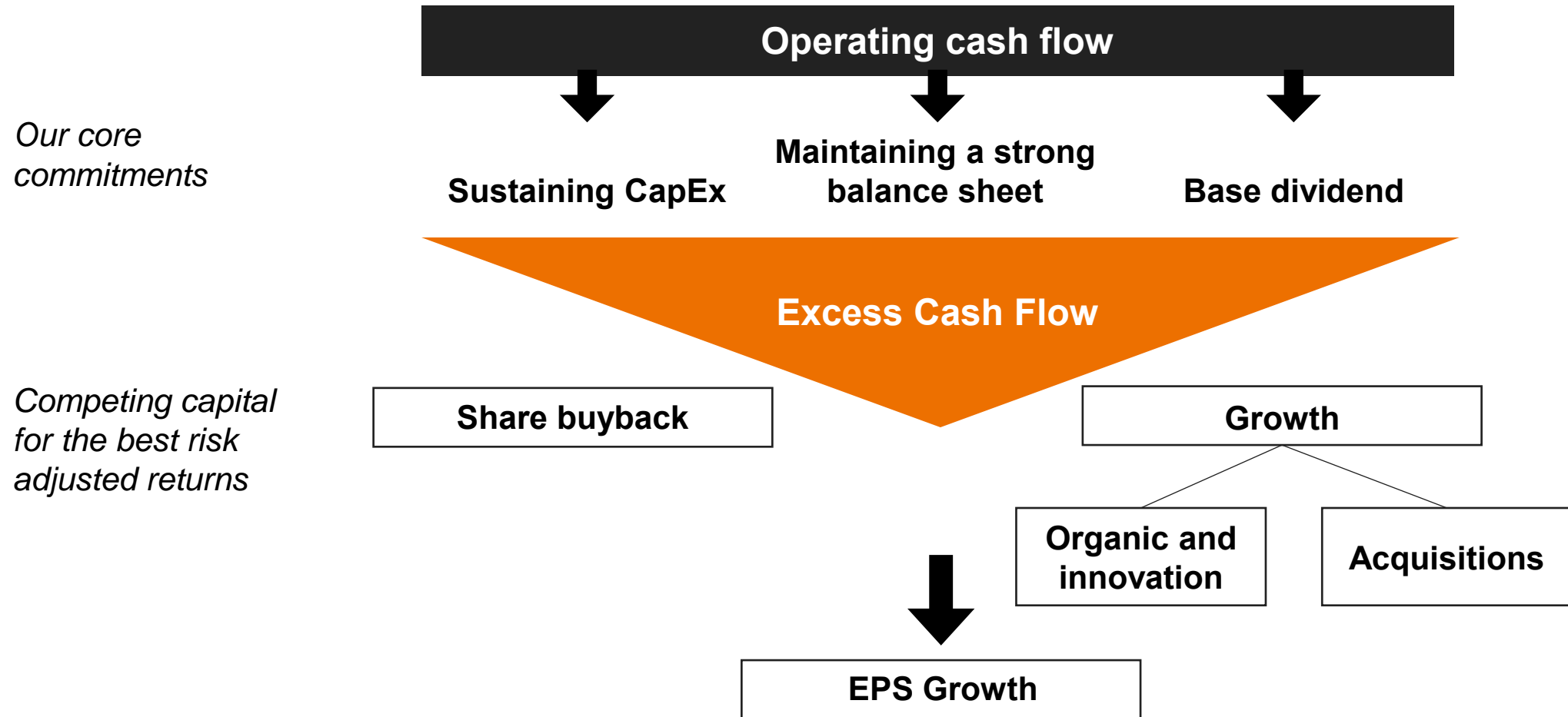
Strong execution, efficient operations, and disciplined capital allocation while delivering a great client experience.

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 capital allocation philosophy

Focused on achieving the best risk adjusted returns





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Our Targets

Ruwais Marina District
Rumais, Abu Dhabi, UAE

Net revenue

>10%

CAGR

Adjusted
EBITDA margin

16-17%

Of net revenue

Adjusted
earnings per share

>11%

CAGR

Return on
invested capital

>10%



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Concluding Remarks

Madison Street Park
Tampa, FL, USA

Continuing to execute our strategy

People

- Our people's health and safety comes first as we begin our phased office remobilization
 - Integrity of workforce is being preserved to work through record backlog and to position Stantec for economic recovery
-

Excellence

- Continued focus on project execution and delivering exceptional work for clients
 - Stantec's EBITDA margins bolstered by prudent management of discretionary spending
-

Innovation

- Innovating client solutions to address the challenges created by COVID-19
 - Virtual marketing and business development toolkit developed and launched to enhance sales and client relationship management
-

Growth

- Focused account management has driven 7.4% organic growth in key accounts year-over-year
- Pace of acquisitions slowed due to travel restrictions



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Thank You!