



STN
TSX: NYSE

Investor Presentation



July 2022

Cautionary note regarding forward-looking statements and non-IFRS and other financial measures

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 carbon reduction pledges (including our carbon neutrality and net-zero targets), 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 impacts of the COVID-19 pandemic, 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 2021 Annual Report incorporated herein by reference, by visiting EDGAR on the SEC website at [sec.gov](https://www.sec.gov) or by visiting the CSA website at [sedar.com](https://www.sedar.com) or on Stantec's website at [stantec.com](https://www.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 2022 and beyond and their effect on our business. Unless otherwise indicated, all amounts expressed in Canadian dollars.

This presentation contains non-IFRS and other financial 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.

Non-IFRS and other financial measures do not have a standardized meaning under IFRS, and therefore, may not be comparable to similar measures presented by other issuers. For a discussion of risk factors and non-IFRS measures and other financial measures, see our 2021 Annual Report available on SEDAR, EDGAR, and [stantec.com](https://www.stantec.com).



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EXCELLENCE INNOVATION PEOPLE GROWTH

Stantec at a glance

25,000

Employees Globally

7.3%

10-Year Adjusted Diluted
EPS CAGR⁽¹⁾

STN

TSX & NYSE

400

Offices Worldwide

65+ YEARS

Of Uninterrupted Profitability

CA\$6.2B⁽²⁾

Market Capitalization

1. Adjusted diluted EPS CAGR is a non-IFRS measure (discussed in the Definitions section of Stantec's Q1 2022 MD&A)

2. June 30, 2022


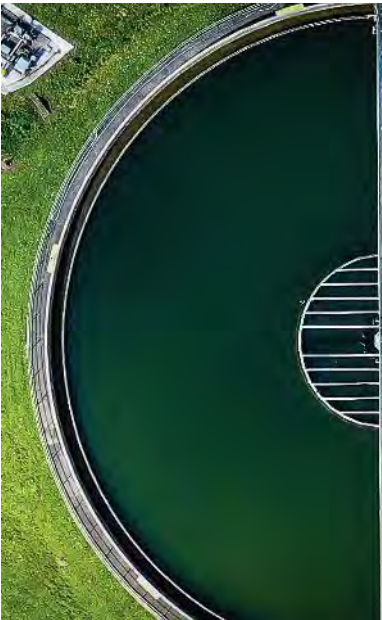


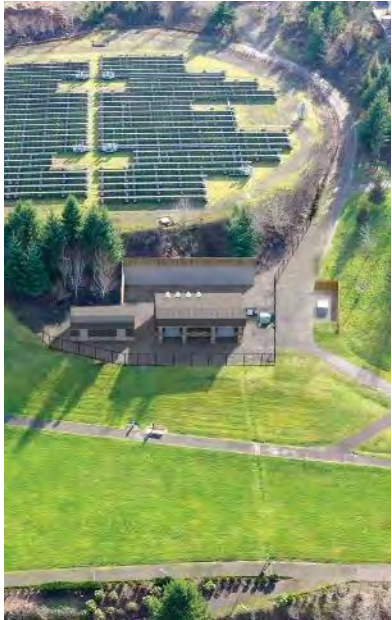


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Engineering, Architecture and Environmental Services

BUSINESS OPERATING UNITS (TTM Q1 2022 Net Revenue)

INFRASTRUCTURE	WATER	BUILDINGS	ENVIRONMENTAL SERVICES	ENERGY & RESOURCES
\$1,056M	\$795M	\$752M	\$688M	\$518M
				

Signatory to the UN Global Compact

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

Stantec's Infrastructure group is a leader in transport system design and community development.

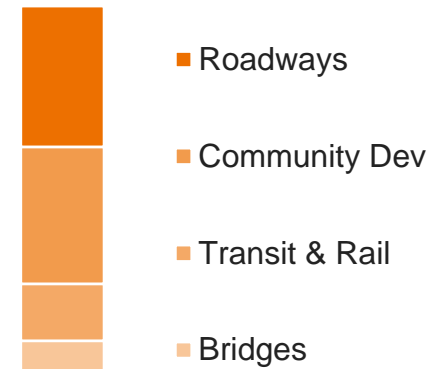
We design infrastructure to be accessible, sustainable, resilient, and people-friendly.

Our team is focused on reducing the environmental and social impacts of major infrastructure builds that, historically, have been sited in lower income areas and contribute to societal inequity.

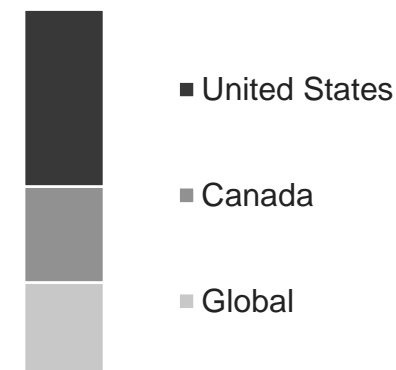
28%

of Q1 2022
net revenue

Q1 2022 Net revenue by sector



Q1 2022 Net revenue by geography





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Water

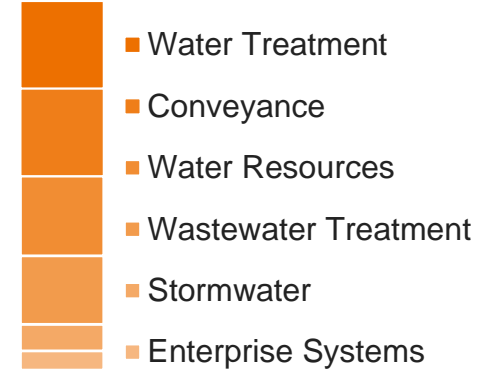
Our Water group designs water projects that improve the health and quality of life across communities and build resilience to natural disasters and climate change.

We help communities attain sustainable access to safe, affordable, and reliable drinking water and sanitation.

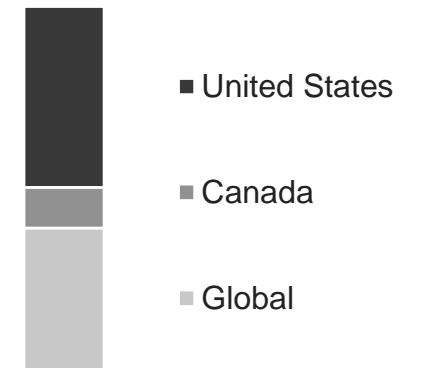
Stantec is a recognized global leader in the design of water and wastewater treatment facilities.

20%
of Q1 2022
net revenue

Q1 2022 Net revenue by sector



Q1 2022 Net revenue by geography





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Buildings

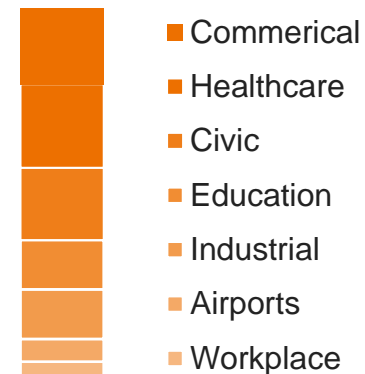
Stantec's Buildings group provides consulting and design services for built, natural, and organizational environments.

We guide clients through a process that incorporates sustainable, resilient, and healthy building design.

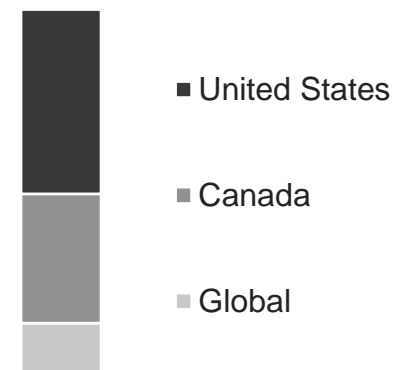
Stantec is a leader in net-zero design and adaptive re-use of built environments, both of which are essential to meet global emission reduction targets.

19%
of Q1 2022
net revenue

Q1 2022 Net revenue by sector



Q1 2022 Net revenue by geography





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Environmental Services

Stantec's Environmental Services group provides a wide array of conservation, ecosystem restoration, and sustainability services.

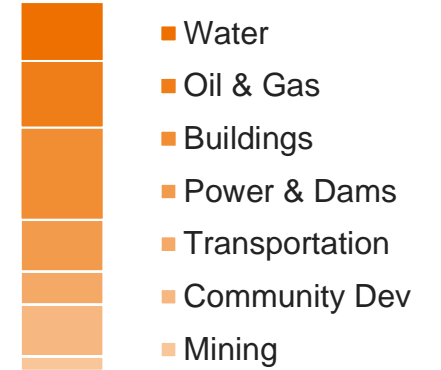
Collaborates with our other business operating units to preserve environmental and social resources.

Performs permitting services that enable traditional development while minimizing environmental impacts.

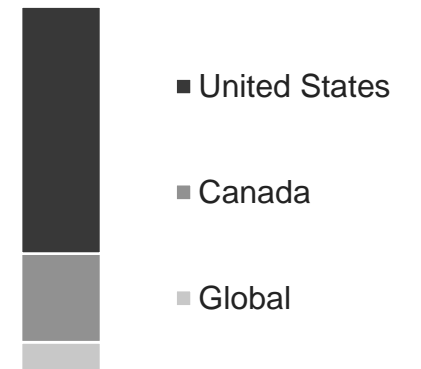
20%

of Q1 2022
net revenue

2021 Net revenue by sector



Q1 2022 Net revenue by geography





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Energy & Resources

Stantec's Energy & Resources group delivers utility-scale and microgrid renewable energy generation engineering and design services.

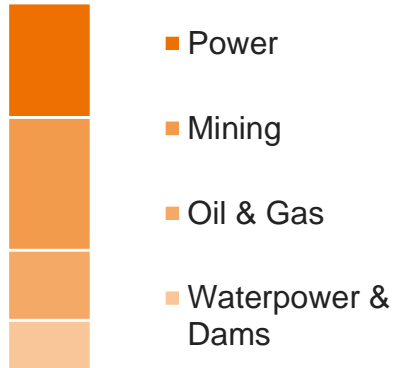
We design for increasingly severe weather events and remedy existing grid limitations.

We have also worked on some of the largest renewable energy installations in the world

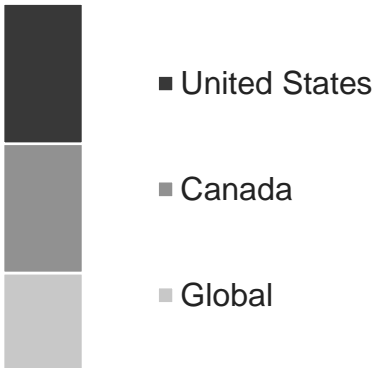
13%

of Q1 2022 net revenue

Q1 2022 Net revenue by sector



Q1 2022 Net revenue by geography





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A GLOBAL LEADER IN SUSTAINABILITY




Committed to sustainability

A global leader in sustainable engineering & design

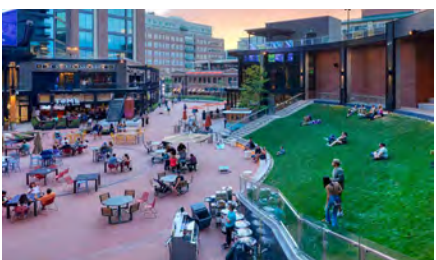
Corporate Knights Global 100: #17

Ranked the most sustainable design and engineering firm in the world

	<p>Net Zero</p>	<p>Carbon neutral for 2022</p> <p>2030 emission targets validated by SBTi</p>
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Corporate Knights Best 50 Corporate Citizens in Canada: #6

Ranked among the best Canadian companies focused on ESG for the 13th time

	<p>Sustainability-Linked Loan</p>	<p>1st globally to link metrics to Bloomberg GEI</p> <p>1st in Canada to direct interest savings to communities</p>
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Notes:

(1) [CDP Website](#) – July 5, 2022 (2) [ISS Sustainability Suite](#) – July 1, 2022 (3) [Sustainalytics website](#) – July 5, 2022

CDP ⁽¹⁾ Score

2021	2020	2019
A-	A-	A-

ISS ESG ⁽²⁾ Quality Score

E	S	G
1	1	1

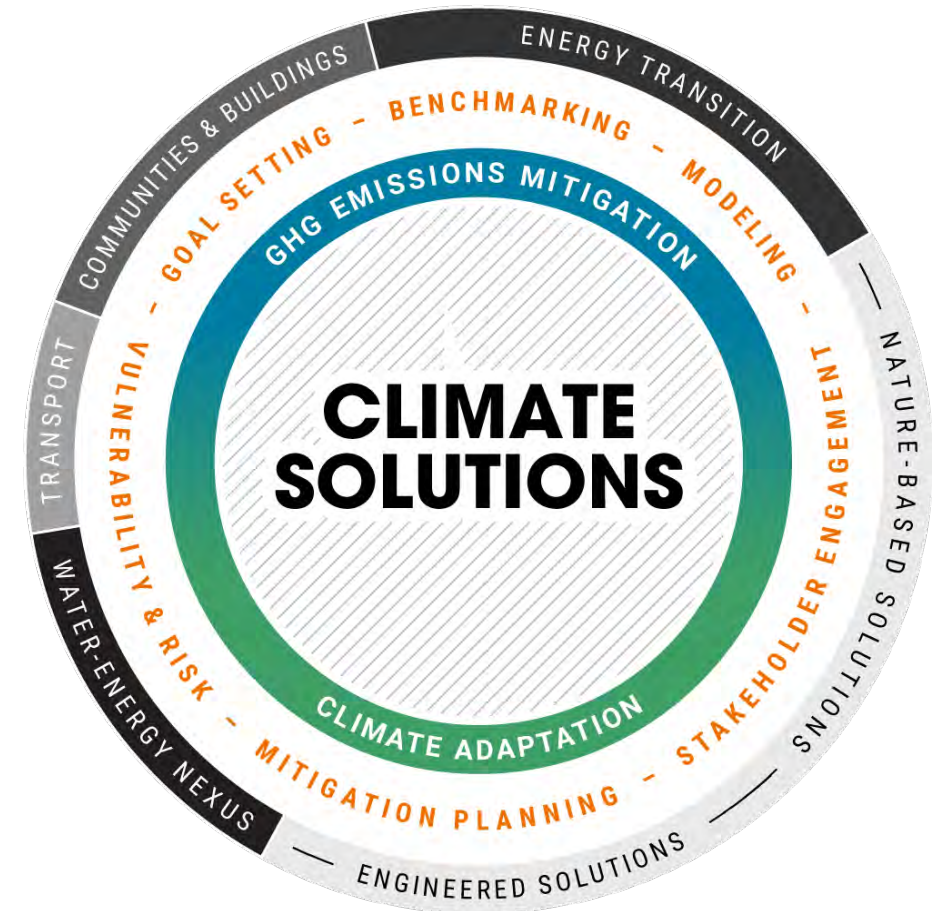
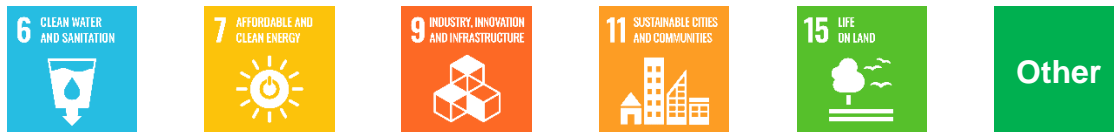
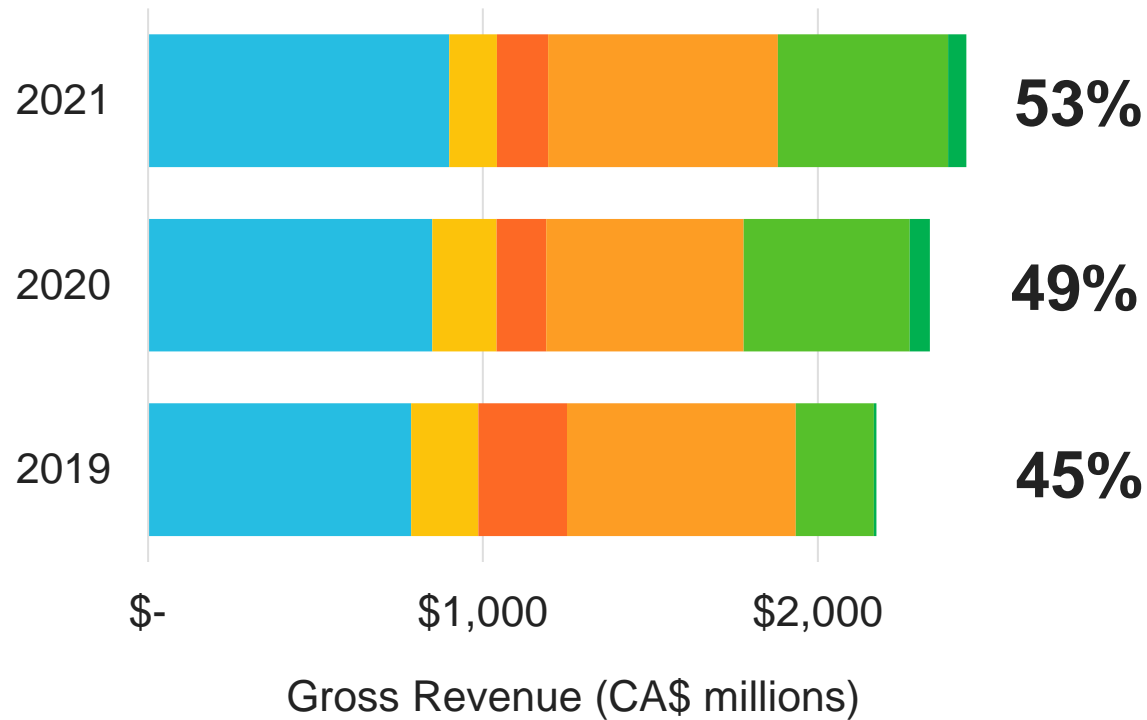
Sustainalytics ⁽³⁾ ESG Risk Rating

Low

Stantec advances strategies for sustainability

Focus on sustainability for our key stakeholders including employees, investors, clients and communities where we live

GROSS REVENUE ALIGNED TO UN SUSTAINABLE DEVELOPMENT GOALS



Governance

A diverse board with exceptional backgrounds

Certified Integrated Management System:

- Environmental Management (ISO 14001:2015)
- Occupational Health & Safety Management (ISO 45001:2018)
- Information Security System (ISO 27001:2013)
- Quality Management (ISO 9001:2015)
- IT Service Management System (ISO 20000-1:2018)
- Business Continuity Planning
- Pandemic Preparedness
- Internal Practice Audits

Robust IT security processes and practices:

- Next-generation security systems
- Cybersecurity awareness training for employees
- Compliance with privacy laws including the General Data Protection Regulation (European Union) and Cyber Essentials Plus (United Kingdom)

Board Composition and Experience



Environmental and Social Factors

■ 78% highly experienced

■ 22% general experience

Governance Factors

■ 100% highly experienced

Sustainability Governance Structure





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Social leadership

Community Engagement (CE)

\$60M by 2030

Committed to investing a further \$30 million through our CE program, taking our total to \$60 million since starting our CE program in 2007

5,600+

Global community partnerships in the history of our CE program

\$611K

Grants for STEM in 2021

\$800K+

Scholarships funded in 2021

\$200K

Annual Equity & Diversity Scholarship launched in 2021

Inclusion & Diversity

We support I&D through partnerships to gain access to top talent from BIPOC communities, sponsoring scholarships and internships for underrepresented and underprivileged students, and through reviewing our internal practices to identify and remove bias.

Named on the 2022 Bloomberg Gender Equality Index

Participated in the UNGC Target Gender Equality Program and tracked progress against the Women's Empowerment Principles in alignment with SDG #5 Gender Equality

Signatory to the UN Women Empowerment Principles since 2015

C-suite is 38% female and 25% are people of color

Gender Pay Equity

A review of our pay practices found that women have received higher average pay increases since 2018, and are being promoted at a higher rate, than men during the same period.

4%

Base pay gap on a median compa ratio basis in North America

Voluntary Turnover

~3%

lower than industry average

Top 50 Workplaces for Indigenous STEM Professionals

American Indian Science and Engineering Society

America's Best Employers for Women

2021 Forbes

The World's Top Female Friendly Companies

2021 Forbes

Gender-Equality Index

2022 Bloomberg



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Q1 2022



Q1 2022 Financial performance

CPS Energy Headquarters
San Antonio, Texas, US



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Solid Q1 2022 earnings

Net Revenue	Adj EBITDA ⁽¹⁾ Margin	EPS Adj Diluted ⁽¹⁾ Diluted
\$1,050M	\$152M 14.5%	\$0.61 \$0.40
▲ 19.5%	▲ 17.9%	▲ 22.0% (Adjusted)

Increased earnings on the strength of:

- **6.4%** organic net revenue growth⁽¹⁾
- **13.9%** acquisition net revenue growth⁽¹⁾
- **54.0%** project margin

KEY DRIVERS

Re-shoring of strategic domestic production to strengthen local supply chain resilience

Climate change and sustainability

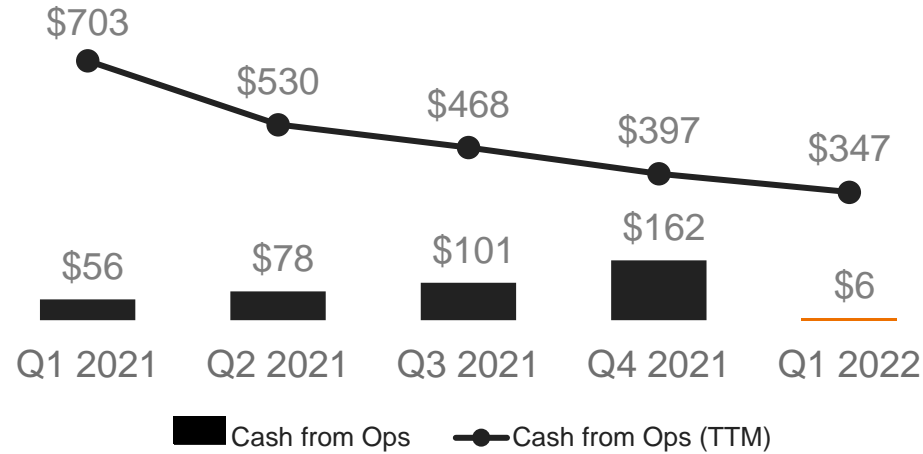
Global food security

Energy transition

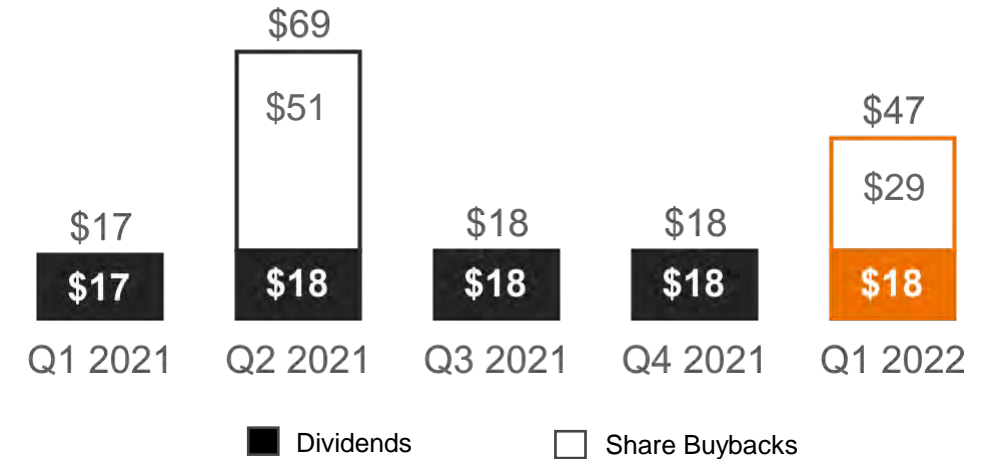
(1) Adjusted diluted EPS, Adjusted EBITDA, organic growth, and acquisition growth are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's Q1 2022 Quarter Report)

Q1 2022 Other Financial Highlights

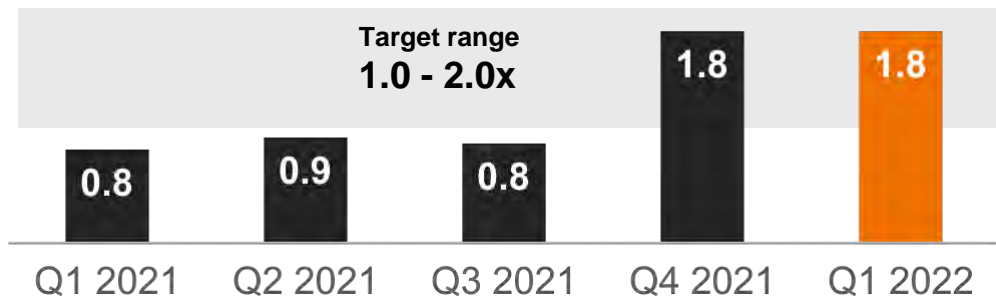
Quarterly and TTM Operating cash flow (\$) ⁽¹⁾



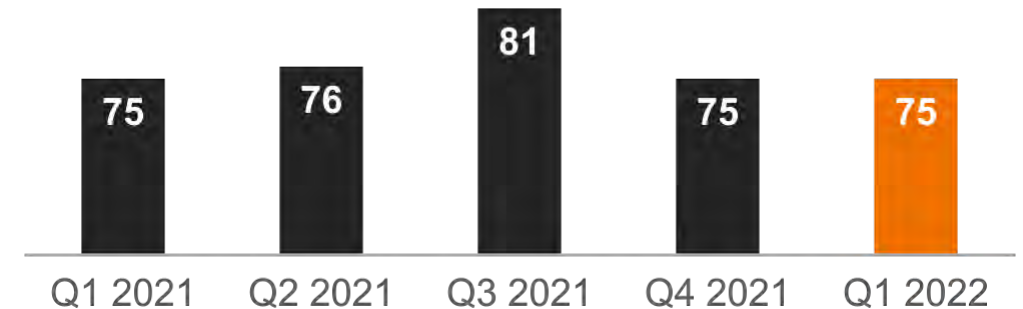
Capital returned to shareholders (\$) ⁽¹⁾



Net debt to adjusted EBITDA ⁽¹⁾



Days sales outstanding ⁽¹⁾





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Recent acquisitions will drive synergistic revenue growth

Three acquisitions in the **United States** support sustainability, climate and environmental solutions.

Paleo's archeological expertise is in demand by the energy industry.

Cardno increases our presence in Environmental Services 60%.

Cox|McLain provides us with environmental compliance and planning in Texas.

Continued growth in Europe

Driven by Values in the Netherlands helps public and private clients navigate the energy transition

Barton Willmore in the UK strengthens our delivery expertise in master planning and urban design

Three acquisitions in **Australia** enhance our exposure to this strong economy.

GTA expands our presence in transportation advisory, planning, analytics, engineering, and technical design.

Engenium enhances our exposure to Australia's most influential mining, resources, renewable energy and industrial infrastructure clients.

Cardno doubles the size of Stantec's presence in Australia and provides us with the critical mass and diversity to accelerate our growth in this market.



2022 Outlook

Strong trends back robust multi-year growth outlook

Targets	2022 Annual Range
Net revenue growth	18% to 22%
Adjusted EBITDA as % of net revenue ⁽¹⁾	15.3% to 16.3%
Adjusted net income as % of net revenue ⁽¹⁾	At or above 7.5%
Adjusted ROIC ⁽¹⁾	Above 10.5%

⁽¹⁾ Adjusted EBITDA, adjusted net income, adjusted ROIC, and adjusted diluted EPS are non-IFRS and other financial measures (discussed in the Definition section of our 2021 Annual Report).

Geography



United States

- High single digit organic growth
- Record backlog
- US stimulus spending in H2 2022



Canada

- Low single-digit organic growth
- Reflecting high levels of activity carrying over from 2021



Global

- High-single to low double digit organic growth
- Strong economic recovery
- Stimulus funds

2022 Adjusted diluted EPS⁽¹⁾ expected to grow by
22% to 26%



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Q&A

Gregory County Pumped Storage
Iowa, United States