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TSX NYSE



# Investor Presentation

September 2022





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La Trobe Student Accommodation  
Victoria, Australia

## Cautionary statement

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).



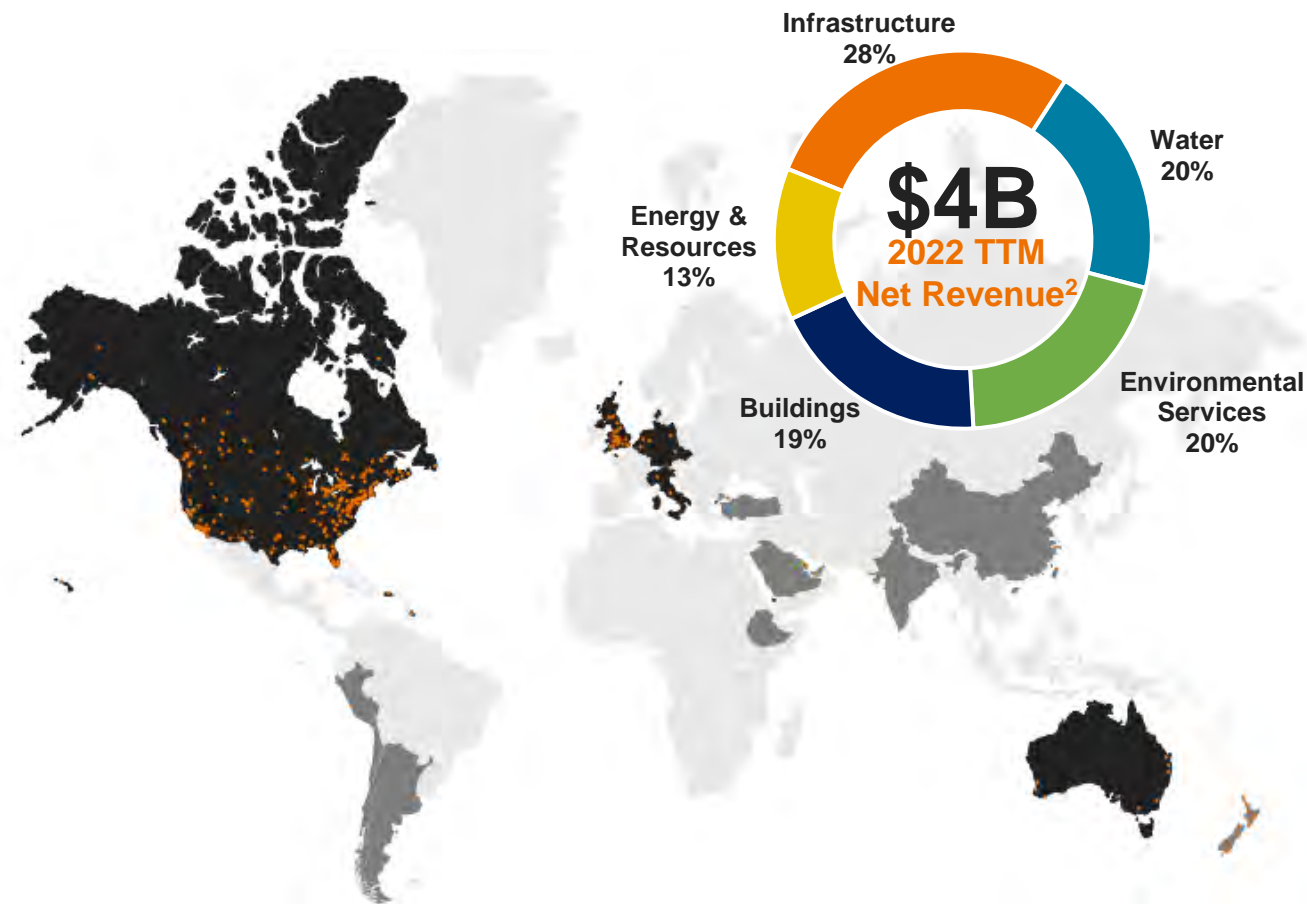
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A GLOBAL LEADER IN SUSTAINABILITY

# Global leader in sustainable engineering, design and environmental services

**Stantec**

TSX / NYSE	STN
Market Cap	\$7.0B <sup>1</sup>
EV	\$8.2B <sup>1</sup>
Employees	26,000 <sup>1</sup>
Locations	400+ offices 6 continents



**#1 ranked most sustainable engineering firm in the world<sup>3</sup>**

1. As of August 26, 2022  
2. As of June 30, 2022  
3. 2022 Corporate Knights Global 100





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# Our core values drive our achievements

## We Put People First



### World's Best Employers

*Forbes*

### Corporate Knights Canada

*Best 50 Corporate Citizens*

### Gender Equality Index

*Bloomberg*

### Top Indigenous Workplace

*Top 50 Workplaces for Indigenous  
STEM Professionals*

## We Do What Is Right



### 2022 Corporate Knights Global 100

*Ranked #1 most sustainable corporation  
among peers*

*Ranked among top 1% in the world on  
sustainable performance*

### 1.5°C

*Validated our science-based target*

### Sustainability-Linked Loan

*Linked to Bloomberg Gender-Equality  
Index*

## We Are Better Together



### \$60 million

*Committed to donations of \$60M by 2030;  
\$31 M donated since 2007*

### \$200,000

*Annual Equity & Diversity Scholarships*

### 5,100+

*Partnered through our Community  
Engagement Program*

## We Are Driven to Achieve



### Climate Leader

*CDP A- Climate Change Score*

### Prime

*ISS ESG Corporate Rating*

### Low Risk

*Sustainalytics*

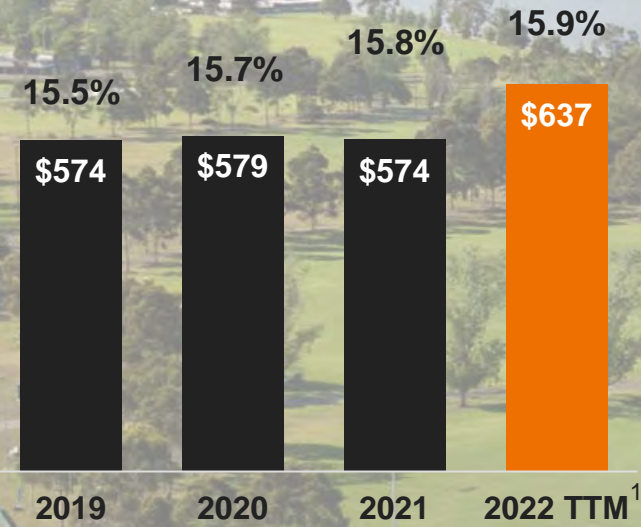




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# Execution of our strategic plan driving strong results

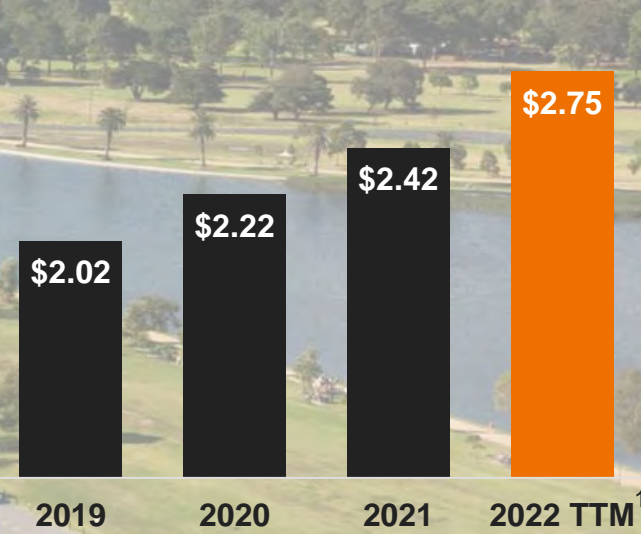
**Adjusted EBITDA & Margin**  
(\$ millions & %)



**Adjusted Net Income**  
(\$ millions)






**Adjusted EPS**  
(\$ per share)



1. As of June 30, 2022

# Well-positioned to capitalize on key economic imperatives

Imperatives	<p><b>Aging and overloaded infrastructure</b></p> 	<p><b>Climate change</b></p> 	<p><b>Re-shoring domestic production</b></p> 
Challenges	<p>Water scarcity and quality</p> <p>Aging wastewater storage and reclamation facilities</p> <p>Transportation infrastructure</p>	<p>Extreme weather patterns</p> <p>Energy transition: need for clean energy, sustainable buildings, zero emissions transportation</p> <p>Need for climate solutions</p>	<p>Semiconductors</p> <p>Vaccine production</p> <p>Supply chain and food scarcity</p>
The Stantec Advantage	<p><b>Long history:</b> providing Water solutions since 1954; <b>&gt;\$1B</b> in gross revenue in 2021</p> <p><b>Stantec Institute for Water Technology &amp; Policy</b></p> <p><b>Major infrastructure projects:</b> from concept to design</p>	<p><b>Climate Solutions:</b> helping clients reduce environmental impacts through solutions and design</p> <p><b>Innovation Office:</b> climate change, smart cities to digital communities and automation</p>	<p><b>Industry Expertise:</b> working with 5 of top 10 semiconductor manufacturers</p> <p><b>Logistics</b> and fulfillment centres</p> <p>Urban <b>agriculture</b> / alternative sources of protein</p>





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# Why invest in Stantec?

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**Global Leader in Sustainability**

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**Diverse Business Lines, Geographies, and Customers**

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**Significant Growth**

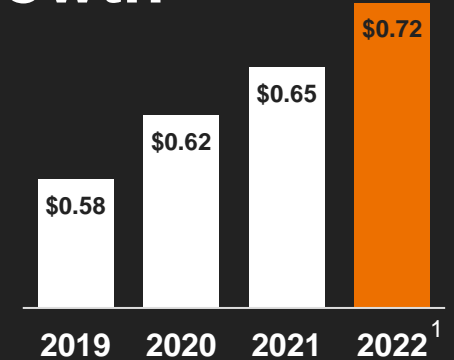
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**Disciplined Capital Allocation Strategy**

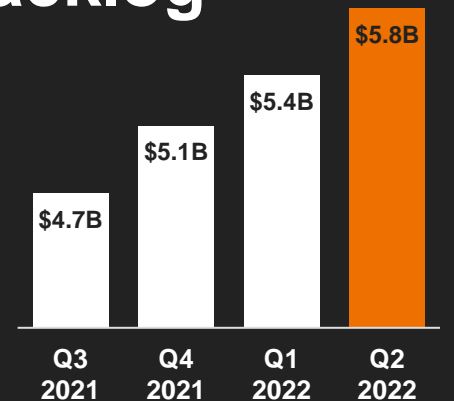
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**Delivering profitable performance for over 65 years**

## Strong Dividend Growth



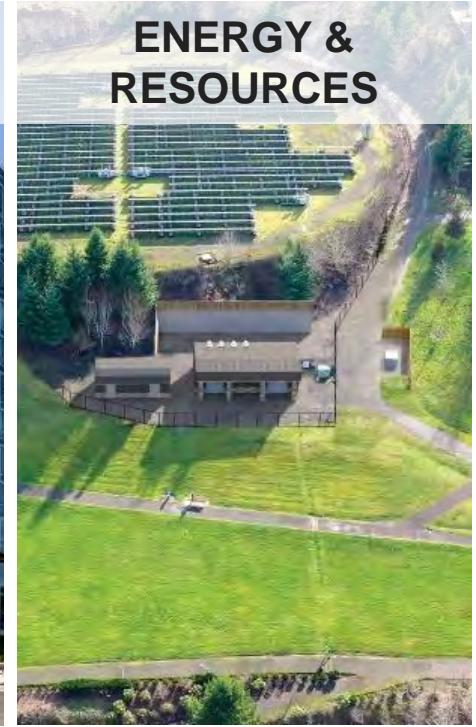
## Record Backlog



1. Annualized at current rate of \$0.18 per quarter and subject to Board approval



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# Business Operating Units - Overview





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WATER

# Stantec, in the Water business for 65+ years, recognized as a global leader

We have delivered water solutions since 1954

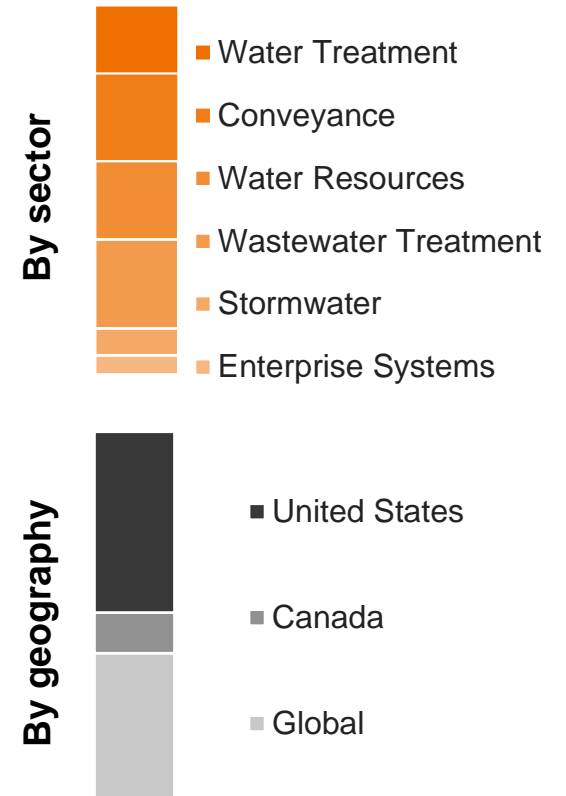
We design water projects that improve the health and quality of life across communities

We build resilience to natural disasters and climate change

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

**\$820M** TTM Q2 2022  
net revenue

## Q2 2022 YTD Net revenue







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ENVIRONMENTAL SERVICES

# Environmental Services has over 3,000 experts around the world

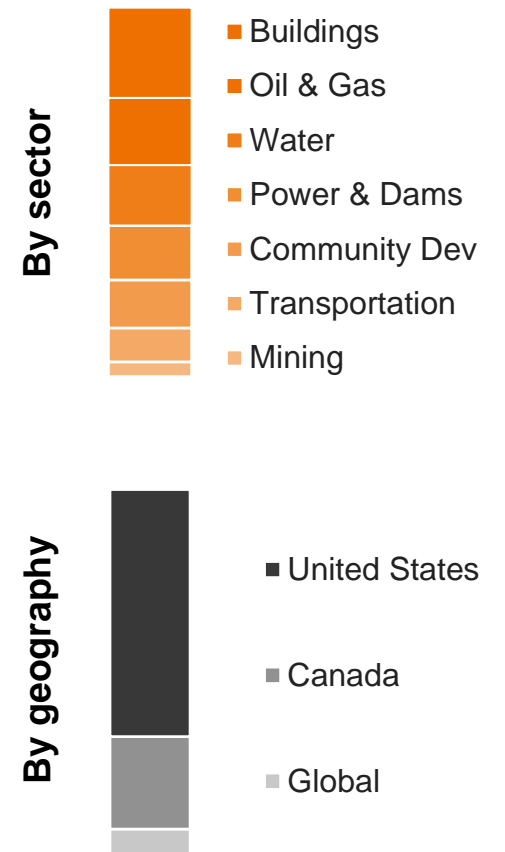
Environmental Services provides a wide array of conservation, ecosystem restoration, and sustainability services.

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

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

**\$768M** TTM Q2 2022  
net revenue

## Q2 2022 YTD Net revenue







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INFRASTRUCTURE

# Infrastructure is a leader in transport system design and community development

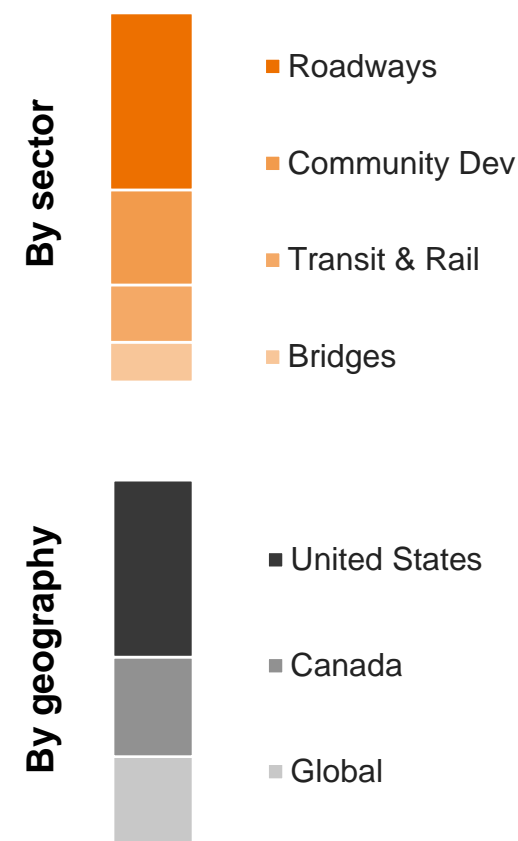
Stantec's Infrastructure group is at the forefront of integrating transport design and community development into the communities we serve.

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.

**\$1.1B** TTM Q2 2022  
net revenue

## Q2 2022 YTD Net revenue







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BUILDINGS

# Buildings ranked #1 in Architecture and Engineering for the last 10 years<sup>1</sup>

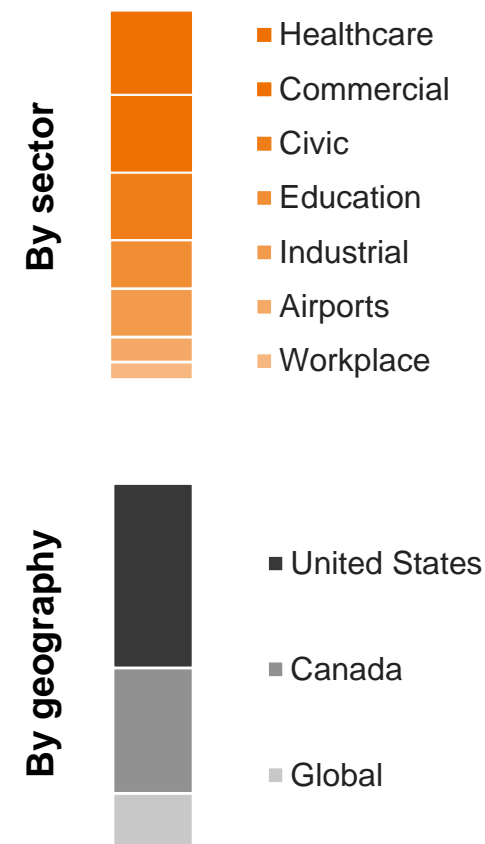
Stantec's Buildings group provides consulting and design services for built, natural, and organizational environments.

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.

**\$770M** TTM Q2 2022  
net revenue

## Q2 2022 YTD Net revenue







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ENERGY & RESOURCES

# Energy & Resources plays a critical role in energy transition

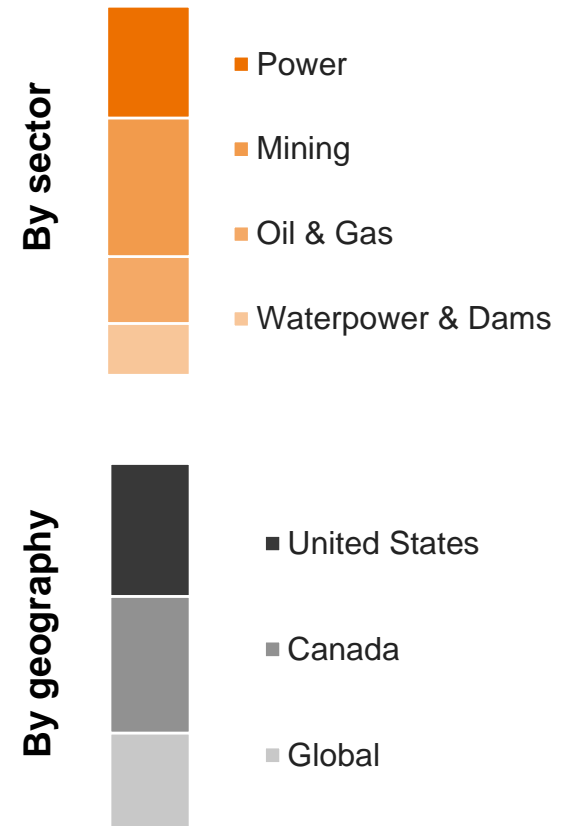
Stantec's Energy & Resources group delivers utility-scale and microgrid renewable energy generation engineering and design services.

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

**\$538M** TTM Q2 2022  
net revenue

## Q2 2022 YTD Net revenue







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A GLOBAL LEADER IN SUSTAINABILITY



# Committed to sustainability





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# A global leader in sustainable engineering & design


## Corporate Knights Global 100: #17

Ranked the most sustainable design and engineering firm in the world

	<p><b>Net Zero</b></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

Ranked among the best Canadian companies focused on ESG for the 13<sup>th</sup> time

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

(1) [CDP Website](#) – August 9, 2022 (2) [ISS Sustainability Suite](#) – August 1, 2022 (3) [Sustainalytics website](#) – August 9, 2022

### CDP <sup>(1)</sup> Score

2021	2020	2019
A-	A-	A-

### ISS ESG <sup>(2)</sup> Quality Score

E	S	G
1	1	1

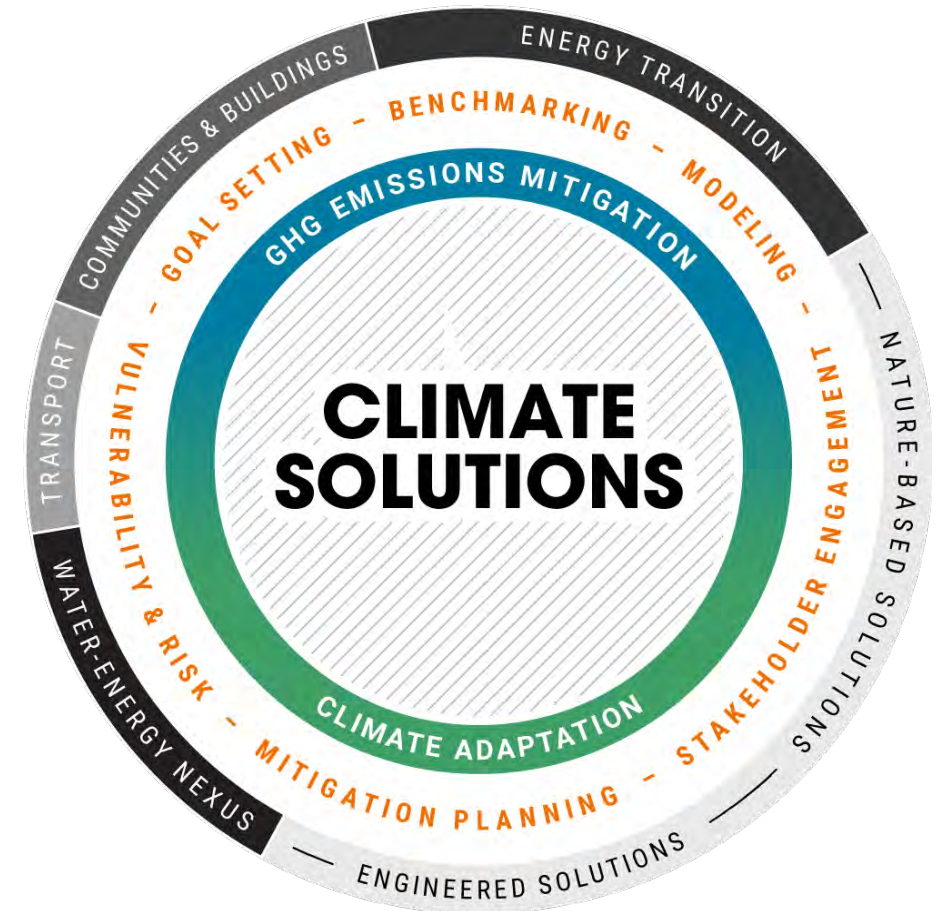
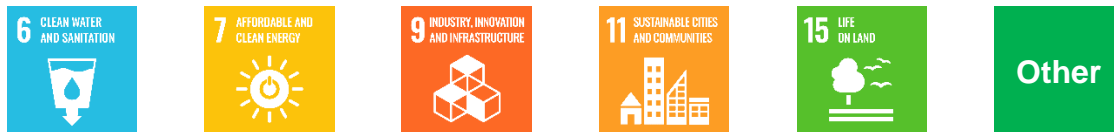
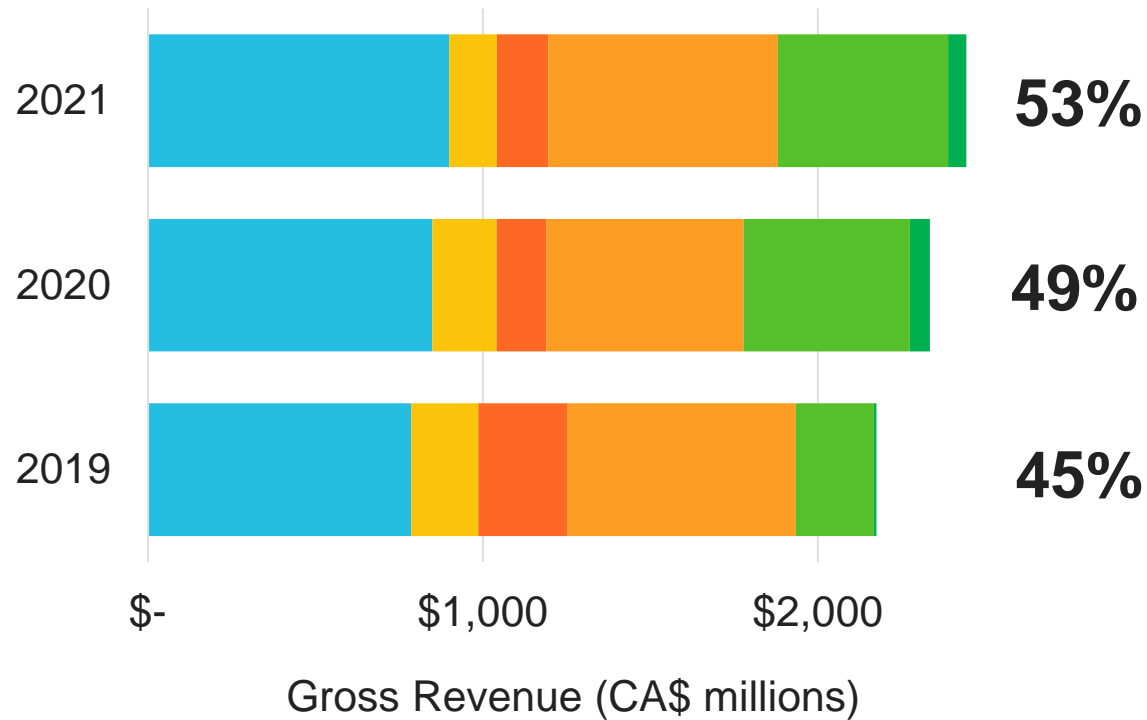
### Sustainalytics <sup>(3)</sup> ESG Risk Rating

Low
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# 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

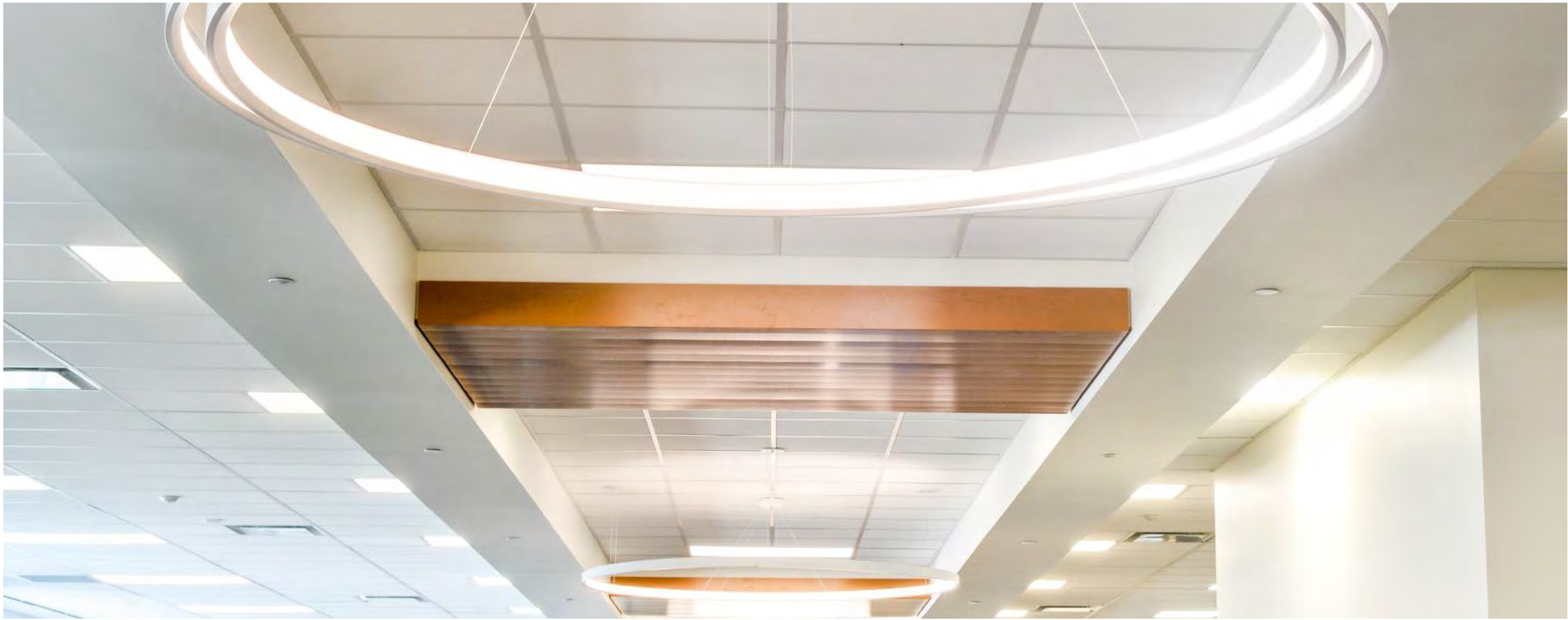
*2022 Bloomberg*





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Q2 2022



# Q2 2022 Financial Performance

**Parks and Facilities Yard Development**  
Regina, Saskatchewan, Canada





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# Solid Q2 2022 earnings

Net revenue

**\$1.1B** | ▲ **23%**

Adj EBITDA<sup>(1)</sup>

**\$187M** | ▲ **27%**

Adj EBITDA Margin<sup>(1)</sup>

**16.7%** | ▲ **60bps**

Adj Diluted EPS<sup>(1)</sup>

**\$0.83** | ▲ **34%**

Increased earnings  
driven by:

Organic Net Revenue Growth<sup>(1)</sup>

**9.4%**

Acquisition Growth<sup>(1)</sup>

**12.4%**

Project Margin

**54.0%**

## KEY DRIVERS

Aging and overloaded  
infrastructure

Climate change and  
sustainability

Production capacity  
constraints and  
re-shoring domestic  
production

(1) Adjusted EBITDA, adjusted EBITDA margin, adjusted diluted EPS, organic net revenue growth, and acquisition growth are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's Q2 2022 Quarter Report)



# Recent acquisitions driving 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

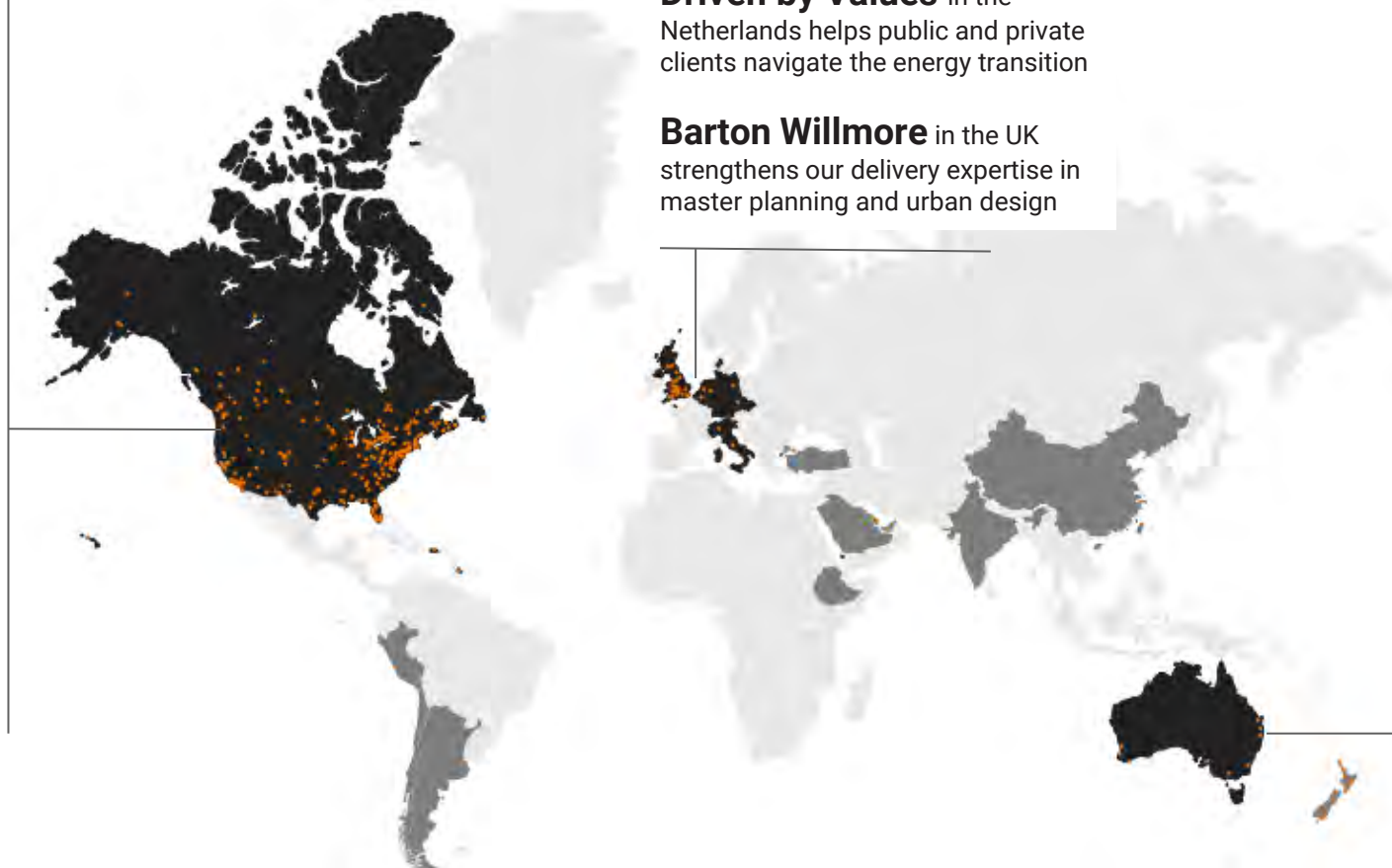
**Barton Willmore** in the UK strengthens our delivery expertise in master planning and urban design

**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 reaffirmed

Strong trends back robust multi-year growth outlook

Targets	2022 Annual Range	June 30, 2022 YTD Actuals	Geography	2022 regional net revenue outlook
Net revenue growth	18% to 22%	21.3%	United States	High single-digit organic growth
Adjusted EBITDA as % of net revenue <sup>(1)</sup>	15.3% to 16.3%	15.6%	Canada	Low single-digit organic growth
Adjusted net income as % of net revenue <sup>(1)</sup>	At or above 7.5%	7.4%	Global	High single- to low-double digit organic growth
Adjusted ROIC <sup>(1)</sup>	Above 10.5%	(note)		

**2022 Adjusted diluted EPS<sup>(1)</sup> expected to grow by 22% to 26%**

(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 Q2 2022 MD&A).  
Note: Adjusted ROIC is calculated annually at the end of the year.





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# Q&A

**Gregory County Pumped Storage**  
*Iowa, United States*