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TSX NYSE



Q3 2023 Earnings Presentation

November 10, 2023





Cautionary statement

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 Q3 2023 Management's Discussion and Analysis available on SEDAR+, EDGAR, and stantec.com.



Q3 2023 earnings

Net revenue

\$1.3B | ▲ **14%**

Adjusted EBITDA ⁽¹⁾

\$241M | ▲ **25%**

Adjusted EBITDA Margin ⁽¹⁾

18.3% | ▲ **160bps**

Adjusted Diluted EPS ⁽¹⁾

\$1.14 | ▲ **33%**

Increased earnings driven by:

Organic Net Revenue Growth ⁽¹⁾

9.0%

Acquisition Growth ⁽¹⁾

2.3%

Project Margin

54.8%

Q3 KEY DRIVERS

Strong demand in Canada

High utilization (Canada & US) augmented by effective workforce strategies

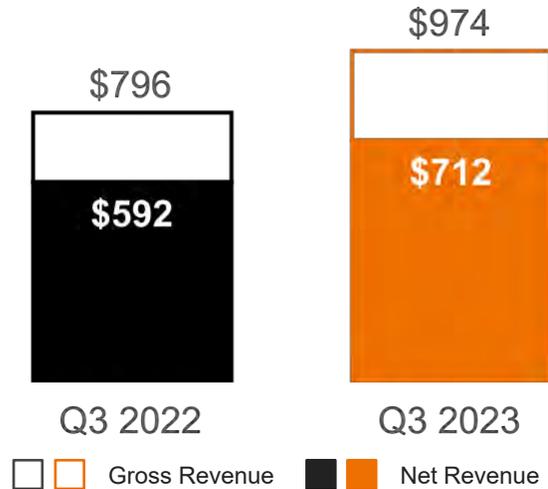
Robust organic hiring with strong talent attraction and retention

(1) Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted EPS are non-IFRS measures, and organic net revenue growth and acquisition growth are other financial measures (discussed in the Definitions section of Stantec's Q3 2023 Management's Discussion and Analysis).



United States

Gross and net revenue (\$ millions)



**\$4.1
Billion**

BACKLOG

12.9% organic growth & **4.5%** acquisition growth

Double-digit organic growth in:

- Water – public sector and industrial projects; large-scale water security projects in western US
- Buildings – healthcare, industrial, and science and technology
- Energy & Resources – power grid upgrade and energy-transition projects

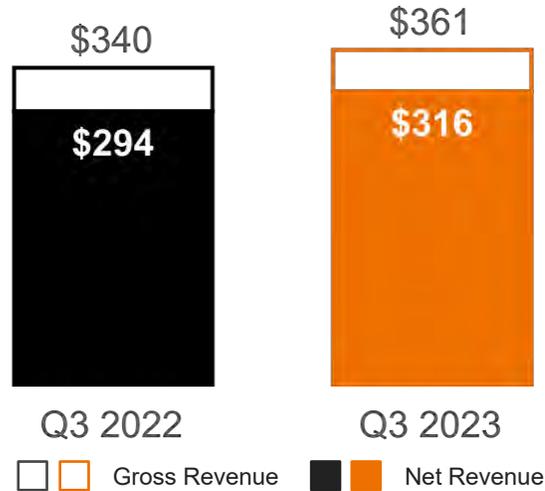


Prairie View A&M University, Engineering Classroom and Research Building
Prairie View, Texas, US



Canada

Gross and net revenue (\$ millions)



7.4% organic growth

Double-digit organic growth in:

- Environmental Services – permitting, archaeology resource assessments and environmental impact assessments
- Infrastructure – large scale bridge and roadway projects in western Canada
- Water – wastewater solutions

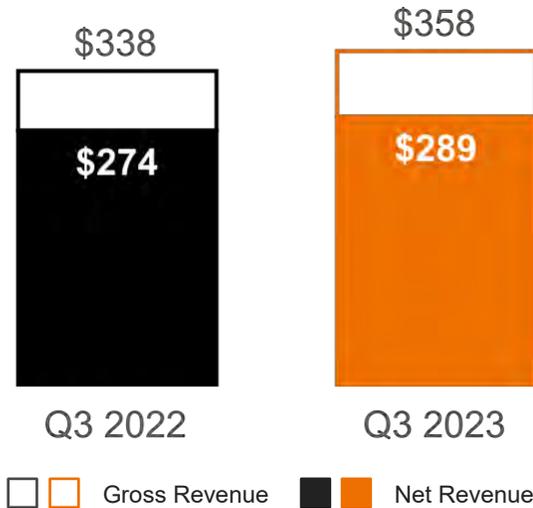


Twinning of Stoney Trail Bridge over the Bow River
Calgary, Alberta, Canada



Global

Gross and net revenue (\$ millions)



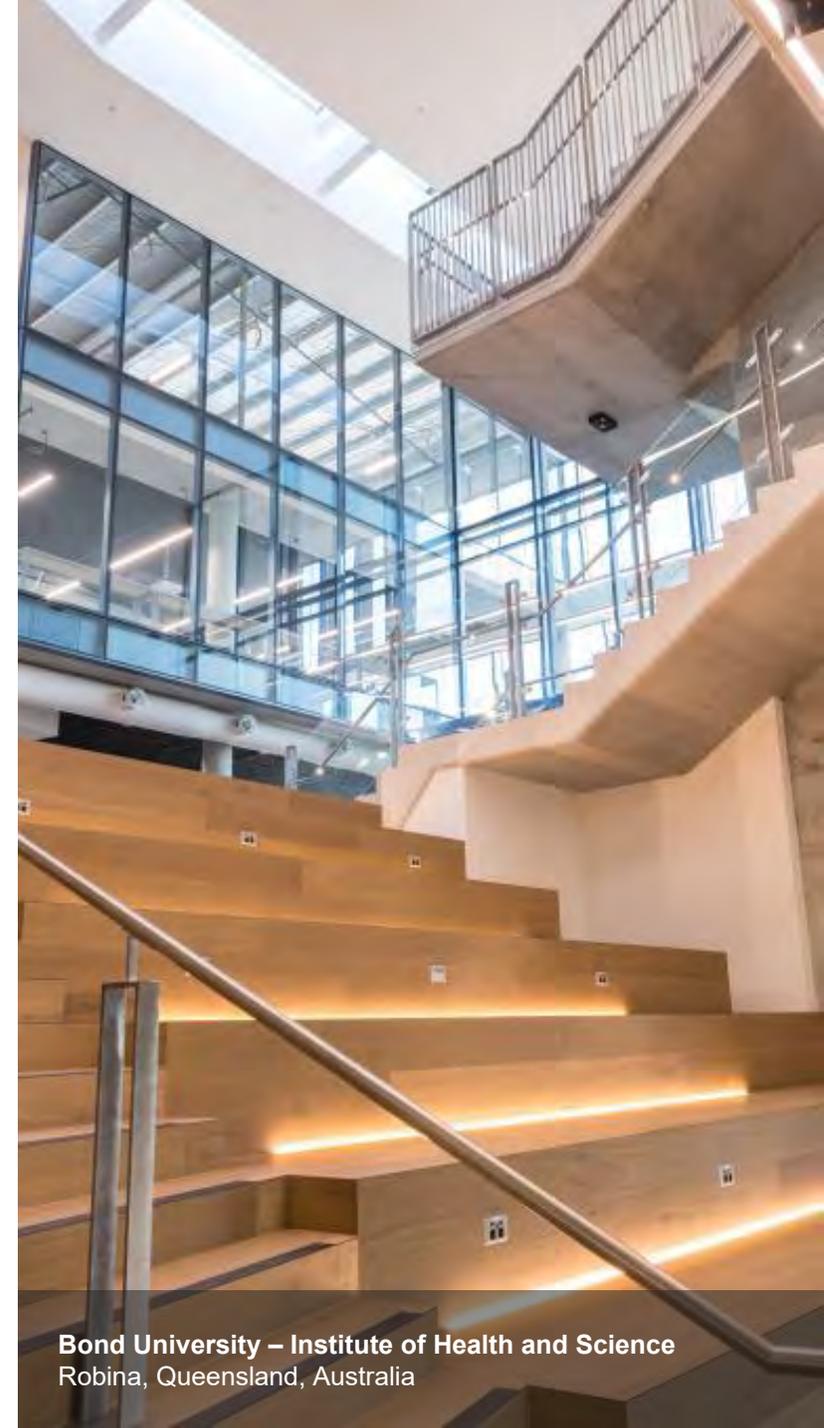
**\$1.0
Billion**

BACKLOG

2.2% organic growth

Strong organic growth in:

- Water – various framework agreements and public sector investments in UK, New Zealand and Australia
- Energy & Resources – double-digit organic growth - major energy storage project in UK and mining activities for energy-transition

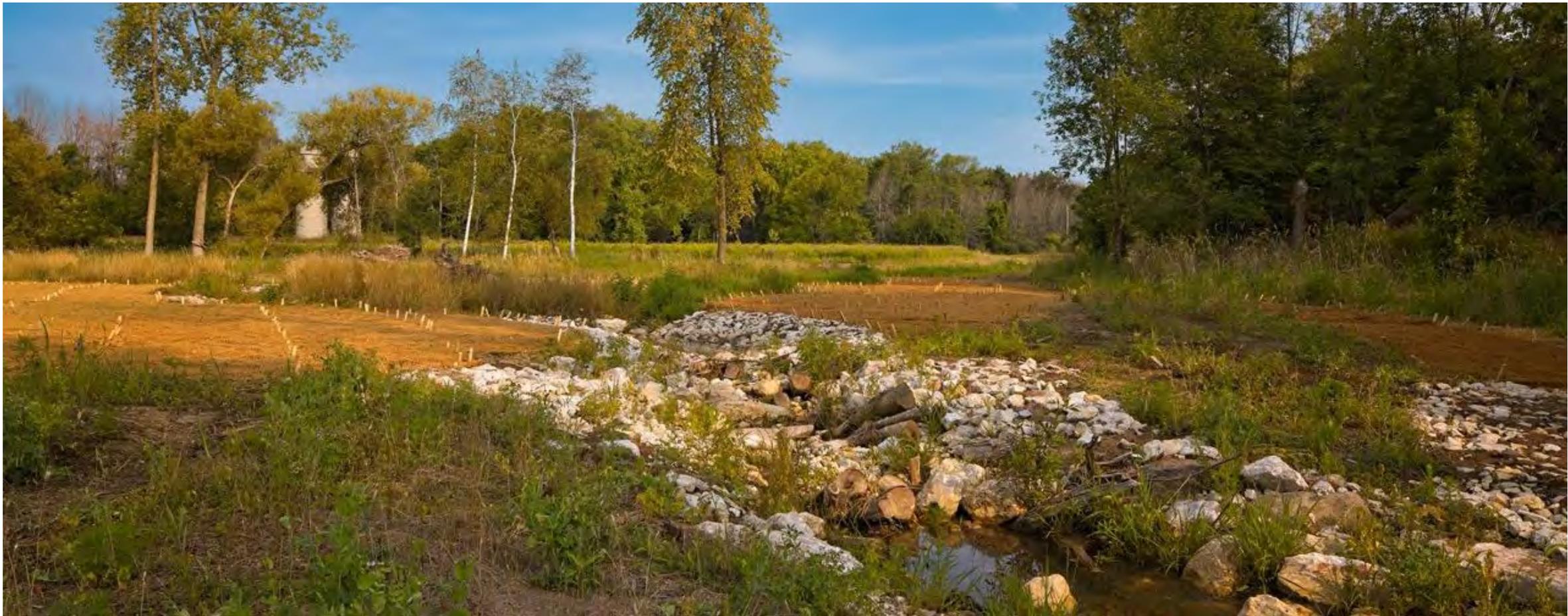


Bond University – Institute of Health and Science
Robina, Queensland, Australia



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Q3 2023 Financial Performance

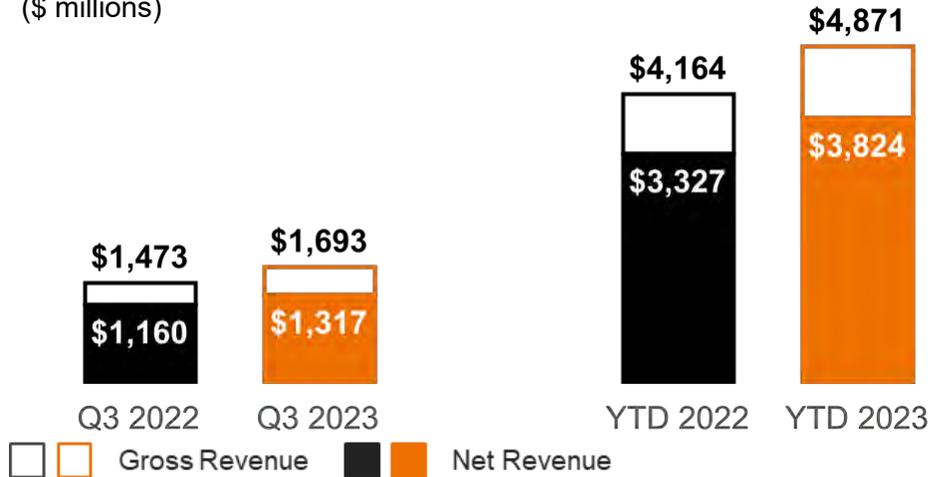
Amsterdam Dunes Preservation Area
Sheboygan County, Wisconsin, US

Theresa Jang - Executive Vice President and Chief Financial Officer

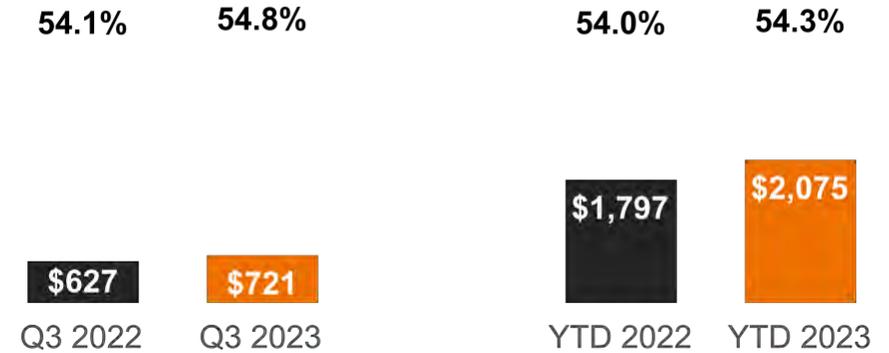


Q3 2023 Financial results

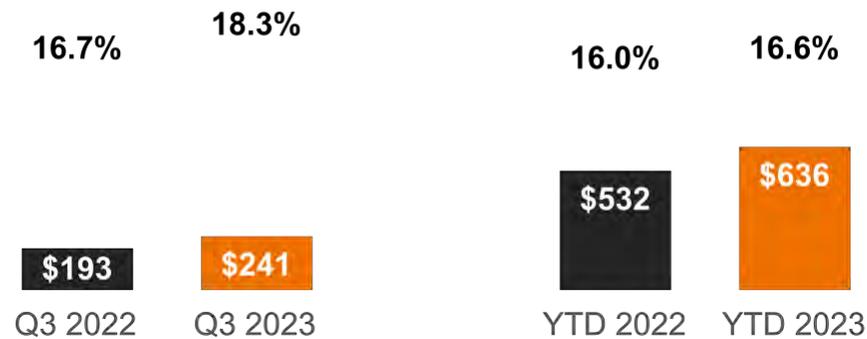
Gross and net revenue (\$ millions)



Project margin (\$ millions and % of NR)



Adjusted EBITDA and Adjusted EBITDA margin⁽¹⁾ (\$ millions and % of NR)



Adjusted diluted earnings per share (\$) ⁽¹⁾



(1) Adjusted EBITDA, adjusted EBITDA margin and adjusted diluted earnings per share are non-IFRS measures discussed in the Definitions section of the Q3 2023 Management's Discussion and Analysis.

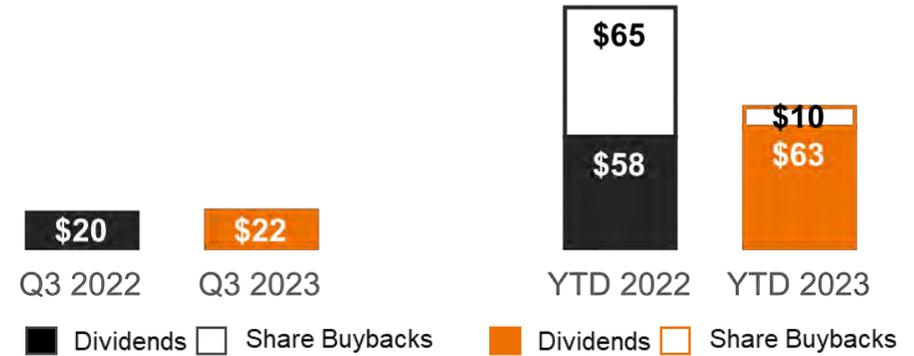


Liquidity and capital resources

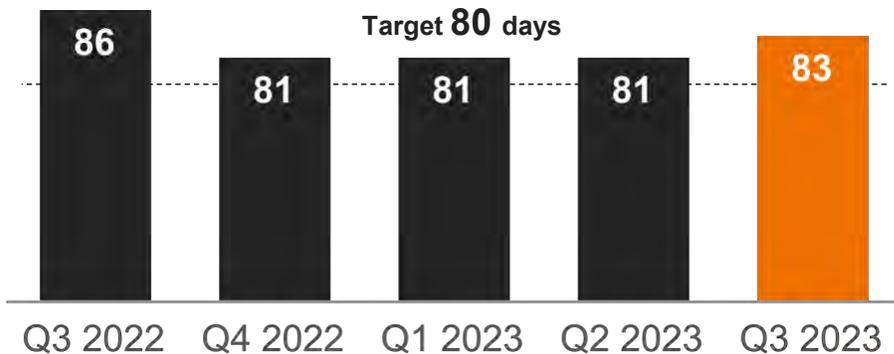
Operating cash flow (\$ millions)



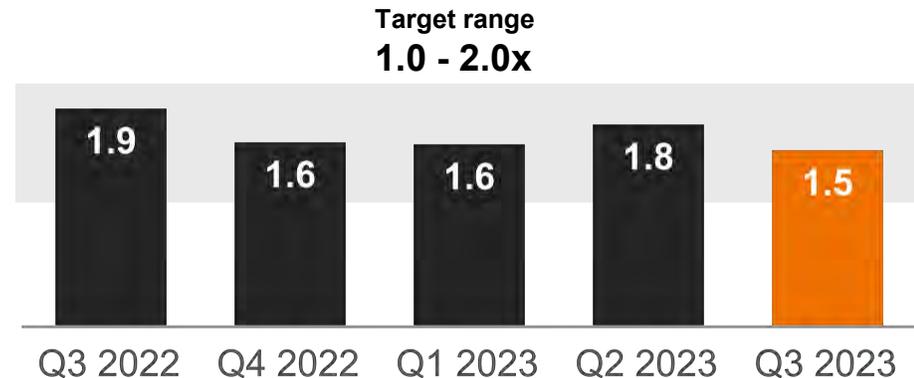
Capital returned to shareholders (\$ millions)



Days sales outstanding⁽¹⁾



Net debt to adjusted EBITDA⁽¹⁾

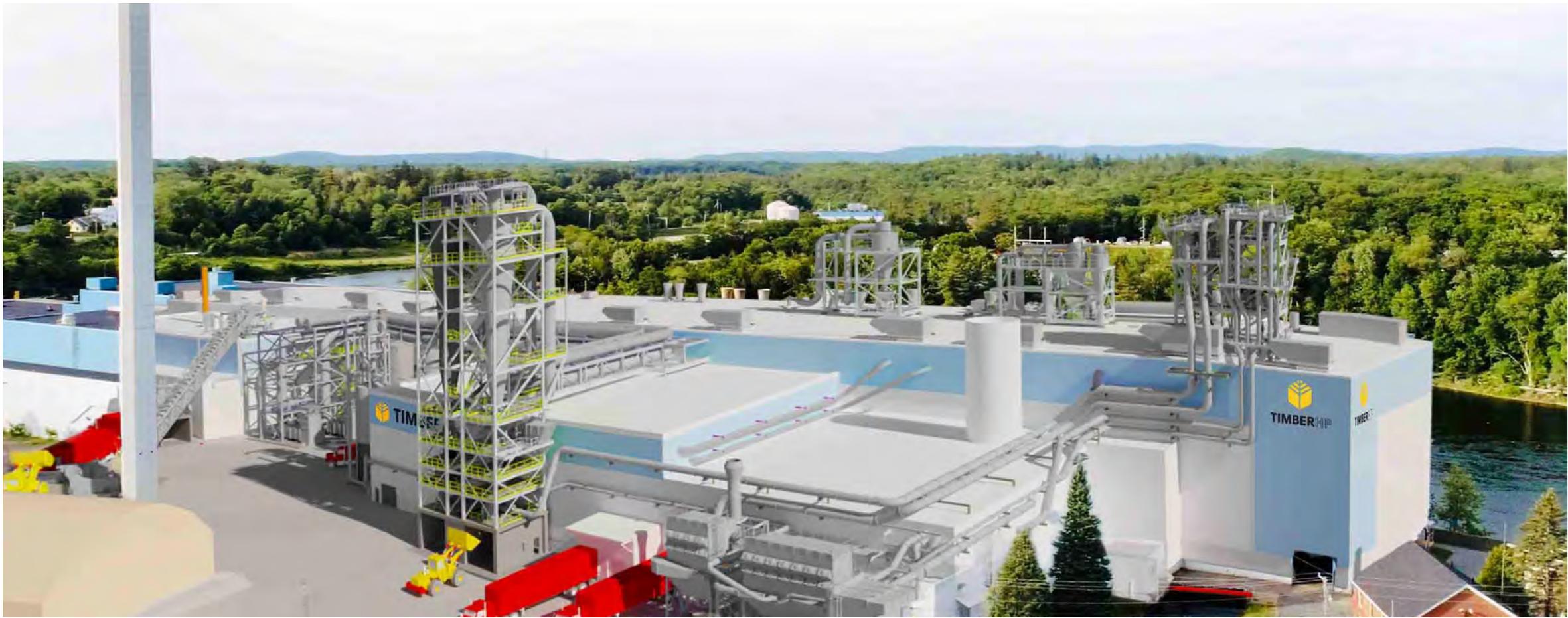


⁽¹⁾ Net debt to adjusted EBITDA and days sales outstanding are non-IFRS measures discussed in the Definitions section of the Q3 2023 Management's Discussion and Analysis.



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Q3 2023 Backlog, Major Projects & Outlook

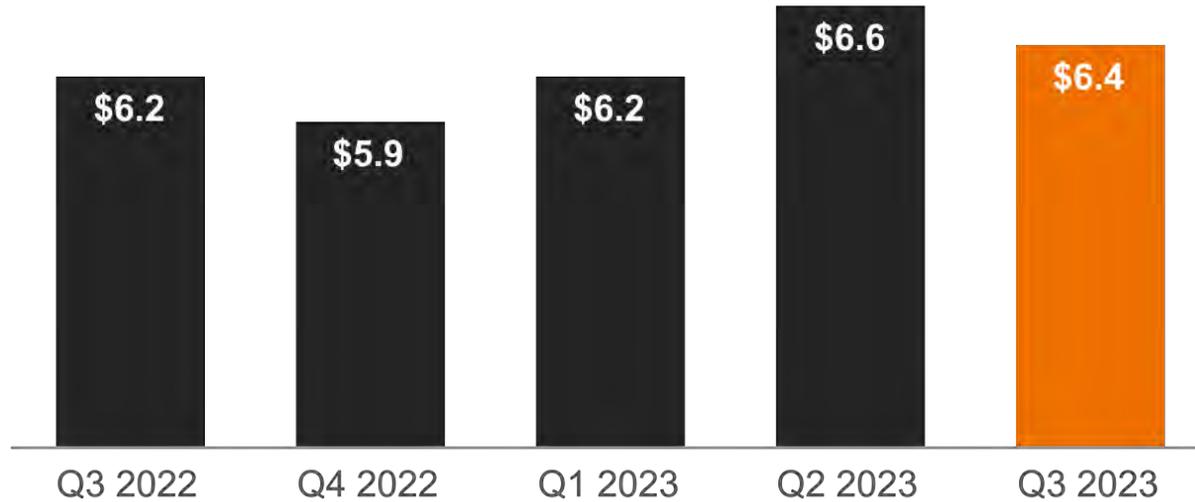
TimberHP Manufacturing Facility
Madison, Maine, US

Gord Johnston - President and Chief Executive Officer

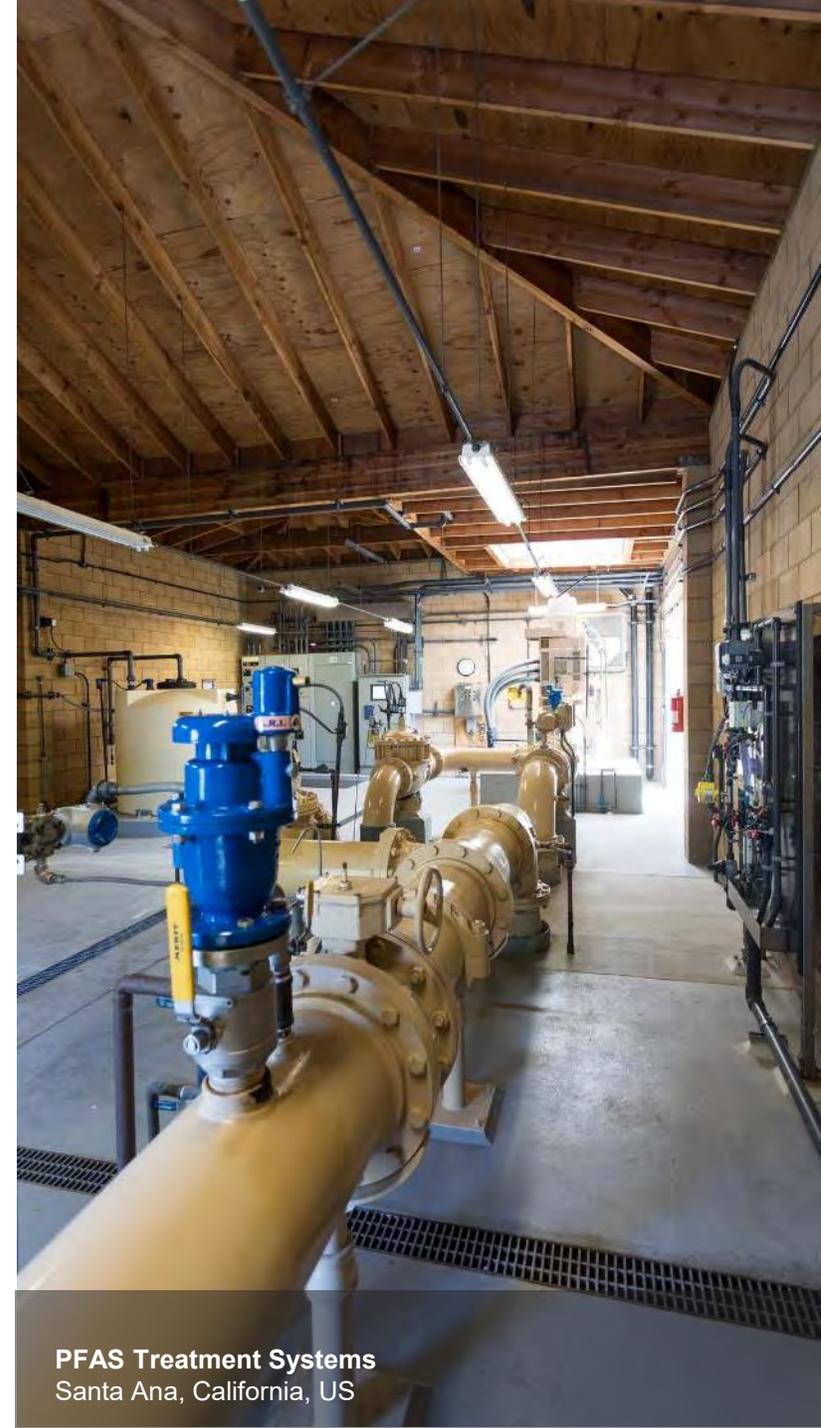


Significant Backlog

Backlog (\$ billions)



- **7.6%** growth since December 31, 2022
- **5.5%** organic growth; organic backlog growth in Water, Buildings and Environmental Services
- Represents approximately **12** months of work



PFAS Treatment Systems
Santa Ana, California, US

Major Project Awards



Tampa Bay Water

- Final design engineering and construction management contract for US\$100 million potable water supply project
- Stantec is designing special tunneling sections as the pipes will pass through urban and rural corridors



Belfast Wastewater Treatment Works

- Stantec appointed to first project for North Ireland Water's Major Projects Partnership Framework
- Goal to ensure resilience to infrastructure to mitigate the impact and pressure from climate change



Community Offshore Wind

- Stantec selected as the primary environmental consultant to develop a construction and operations plan, federal and state permitting, and consultant services
- Project has potential to provide enough to power for over one million homes in New York and New Jersey



Outlook – Revised

2023 Financial Targets

	Aug 2023 Published Annual Range	Revised 2023 Annual Range	Revised 2023 Annual Range
Targets	Excluding LTIP ⁽²⁾ Impact	Excluding LTIP ⁽²⁾ Impact	Including LTIP ⁽²⁾ Impact
Net revenue growth	10% to 13%	12% to 14%	12% to 14%
Adjusted EBITDA as % of net revenue ⁽¹⁾	16.3% to 16.7%	16.7% to 17.1%	16.3% to 16.7%
Adjusted net income as % of net revenue ⁽¹⁾	above 7.5%	above 8.2%	above 7.8%
Adjusted diluted EPS growth ⁽¹⁾	12% to 15%	22% to 25%	17% to 20%
Adjusted ROIC ⁽¹⁾	above 10.5%	above 11.5%	above 11.0%

(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 Q3 2023 Management's Discussion and Analysis).

(2) LTIP - long-term incentive plan



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Q&A

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Australian Nursing and Midwifery Federation House
Melbourne, Australia

