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Q2 2023 Earnings Presentation

August 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 Q2 2023 Management's Discussion and Analysis available on SEDAR+, EDGAR, and stantec.com.



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**We put people
first**

**We are better
together**

**We do what is
right**

**We are driven to
achieve**



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**Highly Engaged
Workforce**

**Acquired
Environmental
Systems Design Inc.**

**#5 Best Corporate
Citizens in Canada¹**

**Record Second
Quarter Results**



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Q2 2023 earnings

Net revenue

\$1.3B | **▲ 15%**

Project Margin

54.3% | **▲ 30bps**

As reported

Adjusted EBITDA Margin ⁽¹⁾

16.9% | **▲ 20bps**

Adjusted Diluted EPS ⁽¹⁾

\$0.99 | **▲ 19%**

**Organic net
revenue growth
11.2%**

Excluding LTIP⁽²⁾ revaluation

17.5%

\$1.04

KEY DRIVERS

Aging and overloaded infrastructure

Climate change and sustainability

Production capacity constraints and re-shoring domestic production

(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 Q2 2023 Management's Discussion and Analysis).

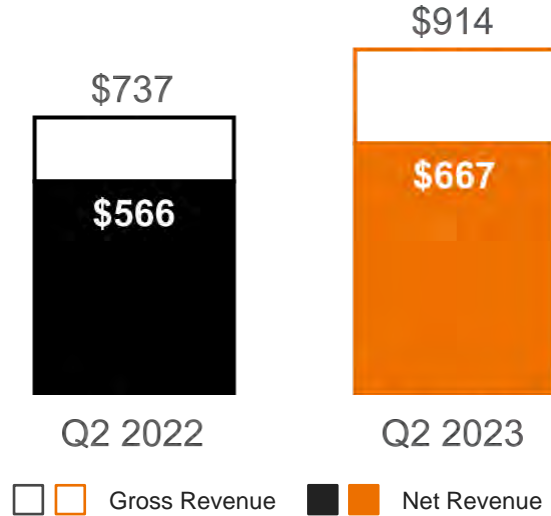
(2) LTIP - long-term incentive plan



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United States

Gross and net revenue (\$ millions)



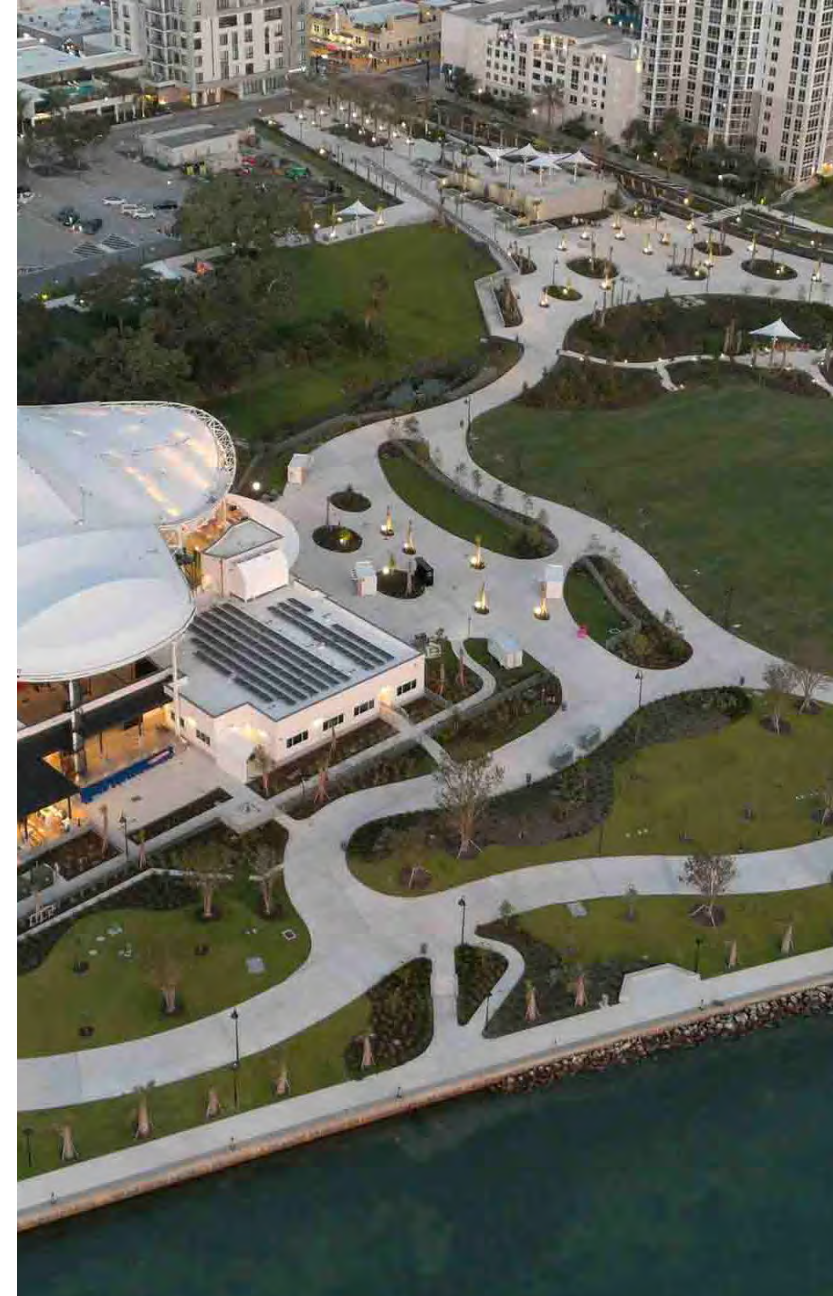
**\$4.3
Billion**

BACKLOG

12.2% organic growth & **0.5%** acquisition growth

Double-digit organic growth in:

- Water – large scale water security projects
- Buildings – healthcare, industrial, commercial and science and technology
- Energy & Resources – power grid hardening



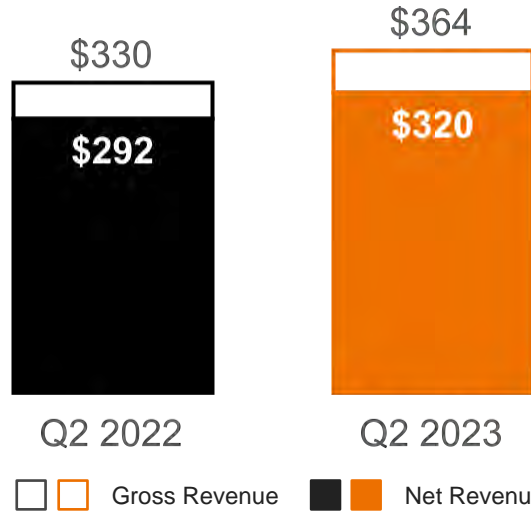
24-acre Imagine Clearwater - Coachman Park
Clearwater, Florida, USA



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Canada

Gross and net revenue (\$ millions)



**\$1.4
Billion**

BACKLOG

9.8% organic growth

Double-digit organic growth in:

- Environmental Services – permitting and archeology work
- Infrastructure – large scale bridge work in western Canada
- Water – wastewater solutions

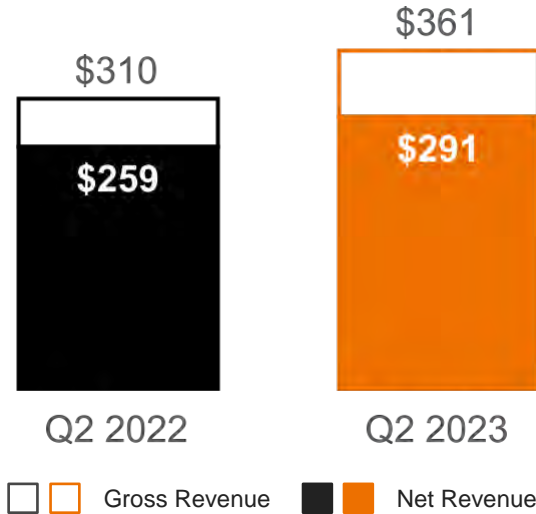
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FortWhyte Buffalo Crossing Visitor Centre
Winnipeg, Manitoba, Canada

Global

Gross and net revenue (\$ millions)



**\$0.9
Billion**

BACKLOG

10.6% organic growth

Double-digit organic growth in:

- Water – long-term framework agreements and public sector investments in UK, New Zealand and Australia
- Energy & Resources – major energy storage project in UK



Durham Wastewater Treatment Works
Kelloe, County Durham, United Kingdom



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Q2 2023 Financial Performance

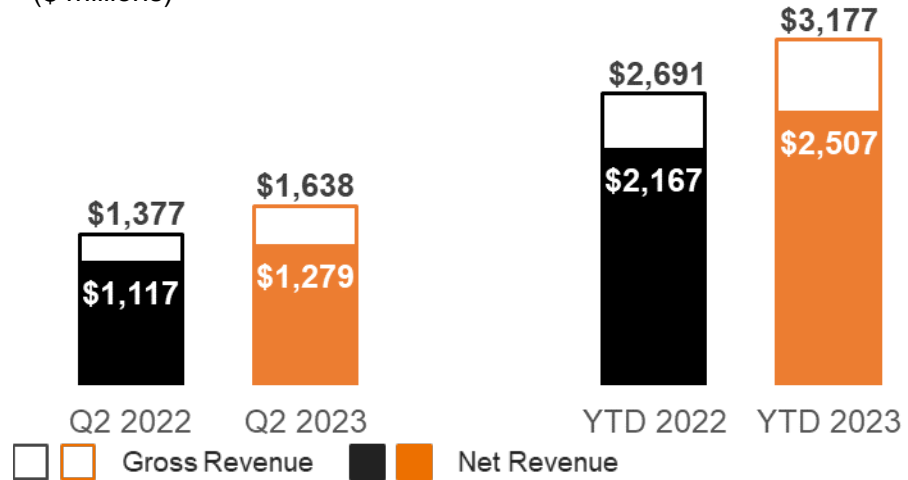
Mike O'Callaghan–Pat Tillman Memorial Bridge
Boulder City, Nevada, USA

Theresa Jang - Executive Vice President and Chief Financial Officer

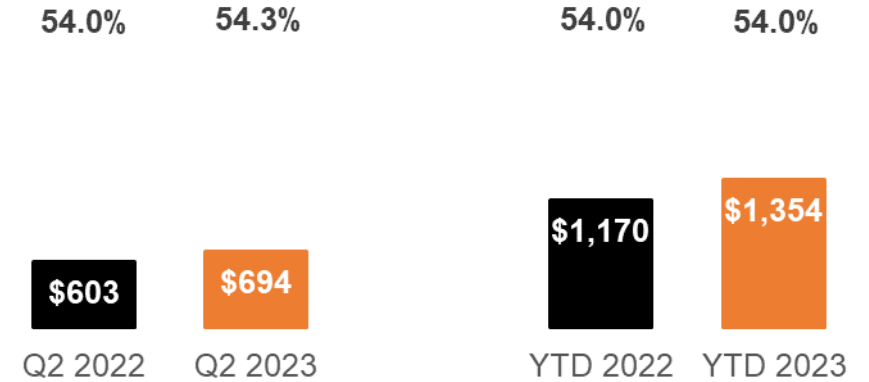


Q2 2023 Financial results

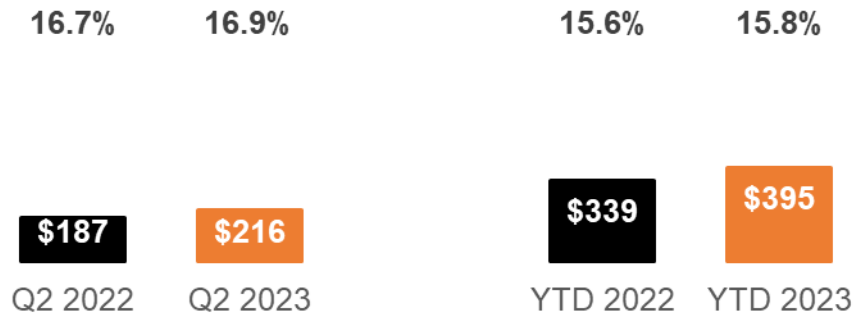
Gross and net revenue (\$ millions)



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 Q2 2023 Management's Discussion and Analysis.

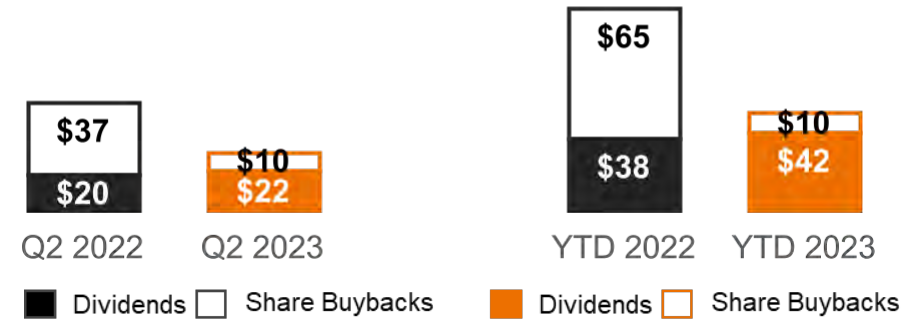


Liquidity and capital resources

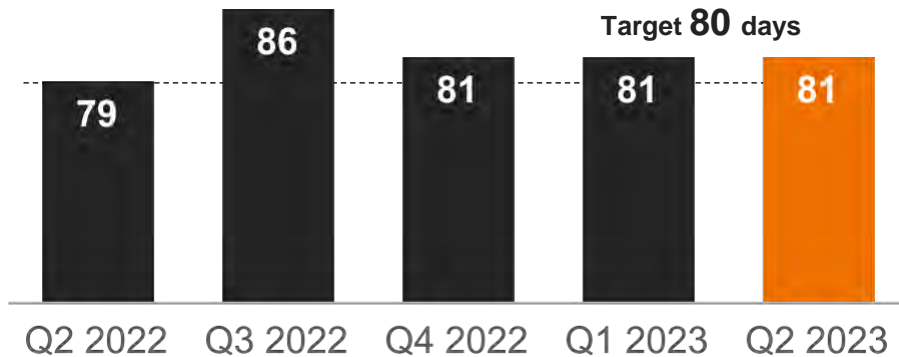
Operating cash flow (\$ millions)



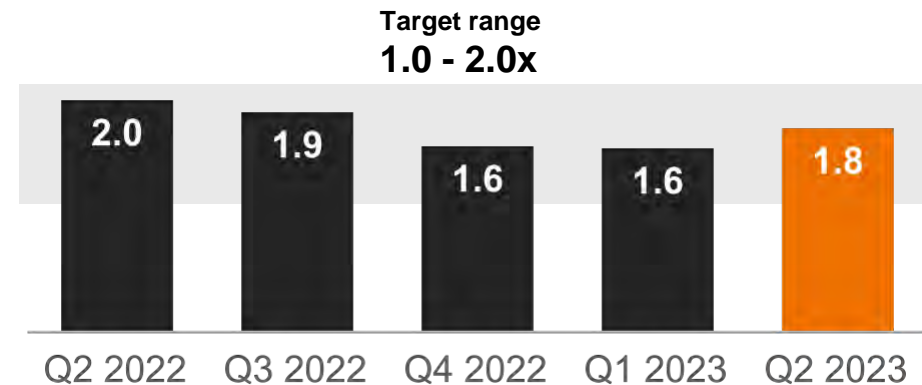
Capital returned to shareholders (\$ millions)



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 Q2 2023 Management's Discussion and Analysis.



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Q2 2023 Backlog, Major Projects & Outlook

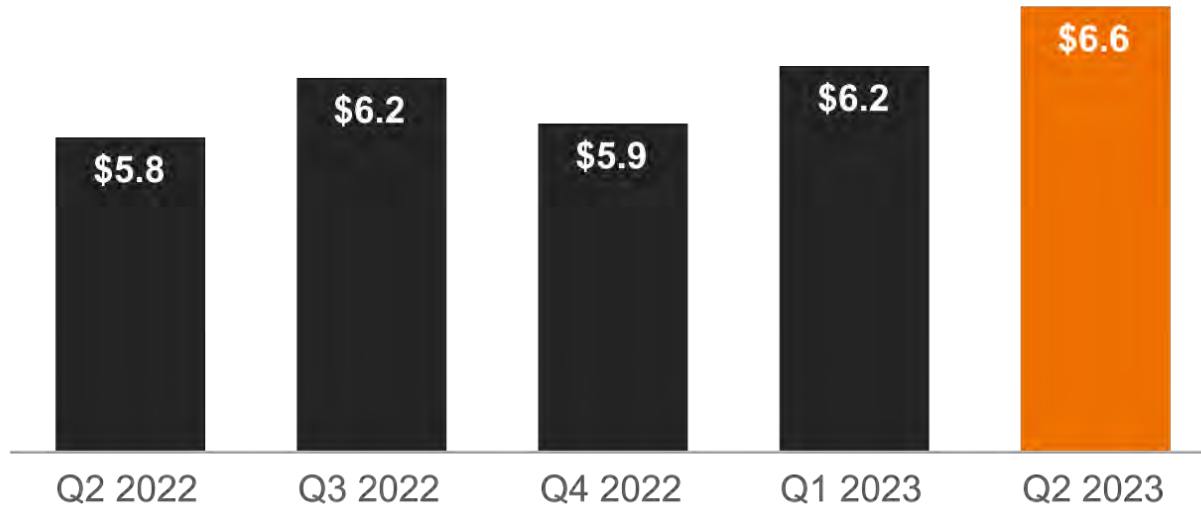
Clifton Integrated Constructed Wetlands
*Sustainable Infrastructure Award at the 2023
Sustainability Consulting Awards*
Doncaster, United Kingdom

Gord Johnston - President and Chief Executive Officer

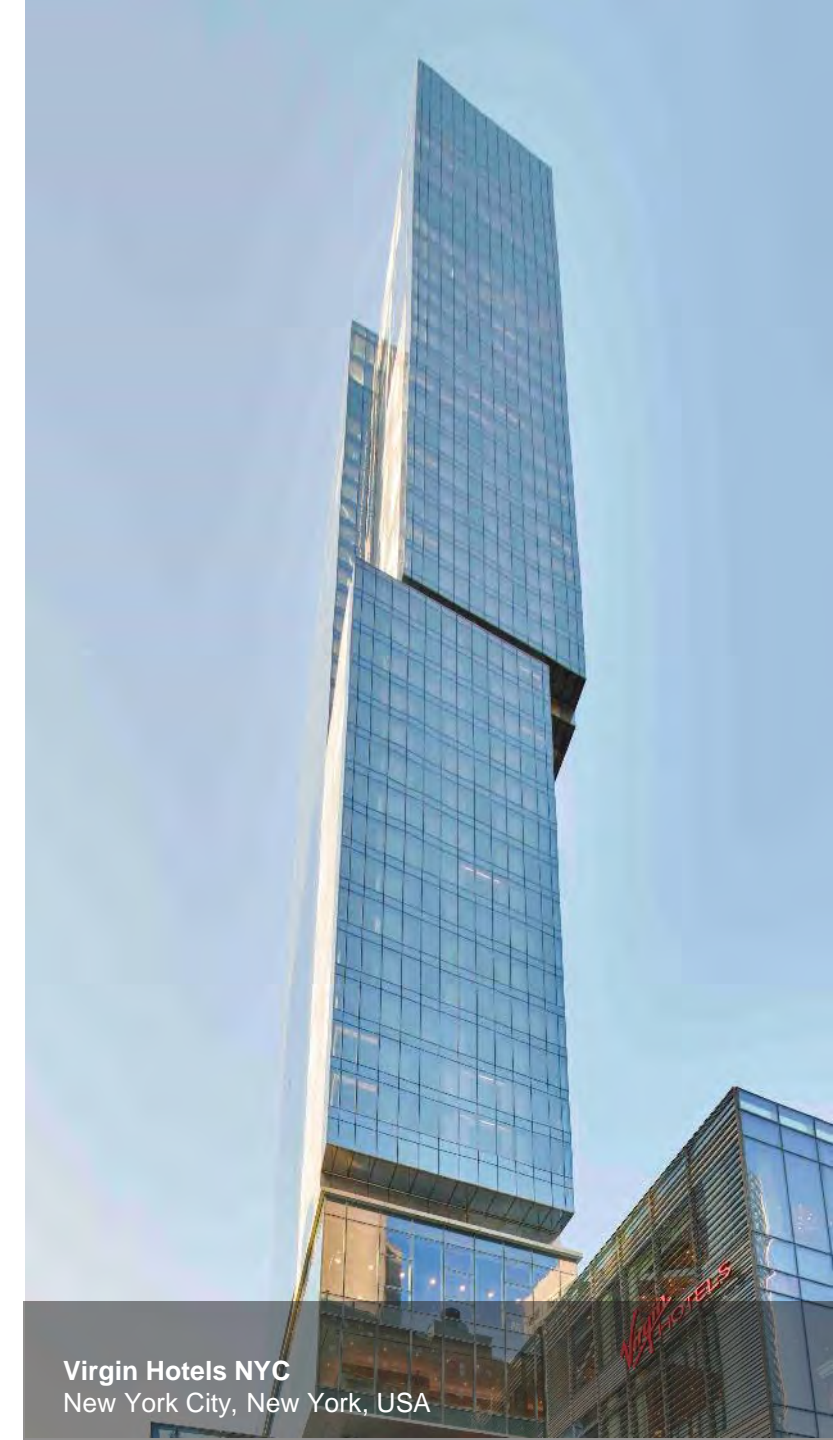


Well positioned with record backlog

Backlog (\$ billions)



- **11.4%** growth since December 31, 2022
- **10.0%** organic growth; double-digit organic backlog growth in Water, Buildings and Environmental Services
- Represents approximately **13** months of work



Virgin Hotels NYC
New York City, New York, USA



Q2 major project awards



Queensway & Apache

- Various new projects in Canada and US
- Engineering services for design and construction management of sewer and watermain project
- Water reclamation facility expansion



Macdonald Bridge

- Stantec selected for consulting engineering services for the steel repair and corrosion protective coating program
- 68-year-old bridge has approximately 48 thousand crossings daily and this program will extend the bridge's life by around 25 years



Queensland Hydro

- Stantec, through our joint venture, Water2Wire, was selected to provide the Front-End Engineering and Design pumped hydro project
- Expected to be the largest pumped hydro storage project in the world



Energy Transition



SunZia Transmission Project

- Stantec selected as Owner's Engineer
- Will enable 3,500 MW of wind power development in New Mexico
- 550 miles in length
- 525-kilovolt high voltage direct current system



Clean Hydrogen Hubs

- Stantec engaged to provide advisory services on three separate proposed US hydrogen hubs; potential to work on a fourth
- Department of Energy to select ~10 hubs to allocate up to \$7 billion in IIJA funding



Outlook - Revised

2023 Financial Targets

Targets	Previously Published 2023 Annual Range	Revised 2023 Annual Range
Net revenue growth	7% to 11%	10% to 13%
Adjusted EBITDA as % of net revenue ⁽¹⁾	16% to 17%	16.3% to 16.7%
Adjusted net income as % of net revenue ⁽¹⁾	above 7.5%	above 7.5%
Adjusted diluted EPS growth ⁽¹⁾	9% to 13%	12% to 15%
Adjusted ROIC ⁽¹⁾	above 10.5%	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 Q2 2023 Management's Discussion and Analysis).





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Q&A

Q2 2023

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Filsinger Park Stream Naturalization
Kitchener, Ontario, Canada