



STN
TSX: NYSE



Q3 2022 Earnings Presentation

November 11, 2022



STN
TSX · NYSE

Q 3 2 0 2 2



Idaho Central Credit Union Arena
Moscow, Idaho, USA

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 2022 Management's Discussion and Analysis available on SEDAR, EDGAR, and stantec.com.



Record Q3 2022 earnings

Net revenue

\$1.2B | **▲ 24%**

Adjusted EBITDA ⁽¹⁾

\$193M | **▲ 24%**

Adjusted EBITDA Margin ⁽¹⁾

16.7% | **▶**

Adjusted Diluted EPS ⁽¹⁾

\$0.86 | **▲ 19%**

Increased earnings
driven by:

Organic Net Revenue Growth ⁽¹⁾

11.0%

Acquisition Growth ⁽¹⁾

12.9%

Project Margin

54.1%

KEY DRIVERS

Aging and overloaded infrastructure

Climate change and sustainability

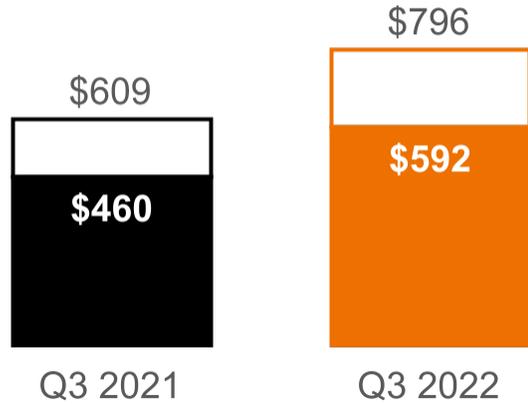
Production capacity constraints and re-shoring domestic production

⁽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 Q3 2022 Quarter Report)



United States

Gross and net revenue (\$ millions)



□ Gross Revenue ■ Net Revenue



- **11.9%** organic growth; achieved in every business operating unit
- **13.3%** acquisition growth
- Water, Infrastructure and Energy & Resources – double digit organic growth
- Net Revenues from Environmental Services now equal to Infrastructure



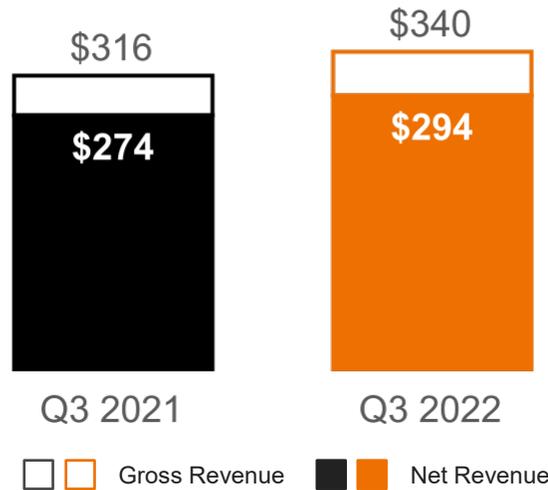
Reservoir Woods Restoration
City of Roseville, Minnesota, USA



STN
TSX: NYSE

Canada

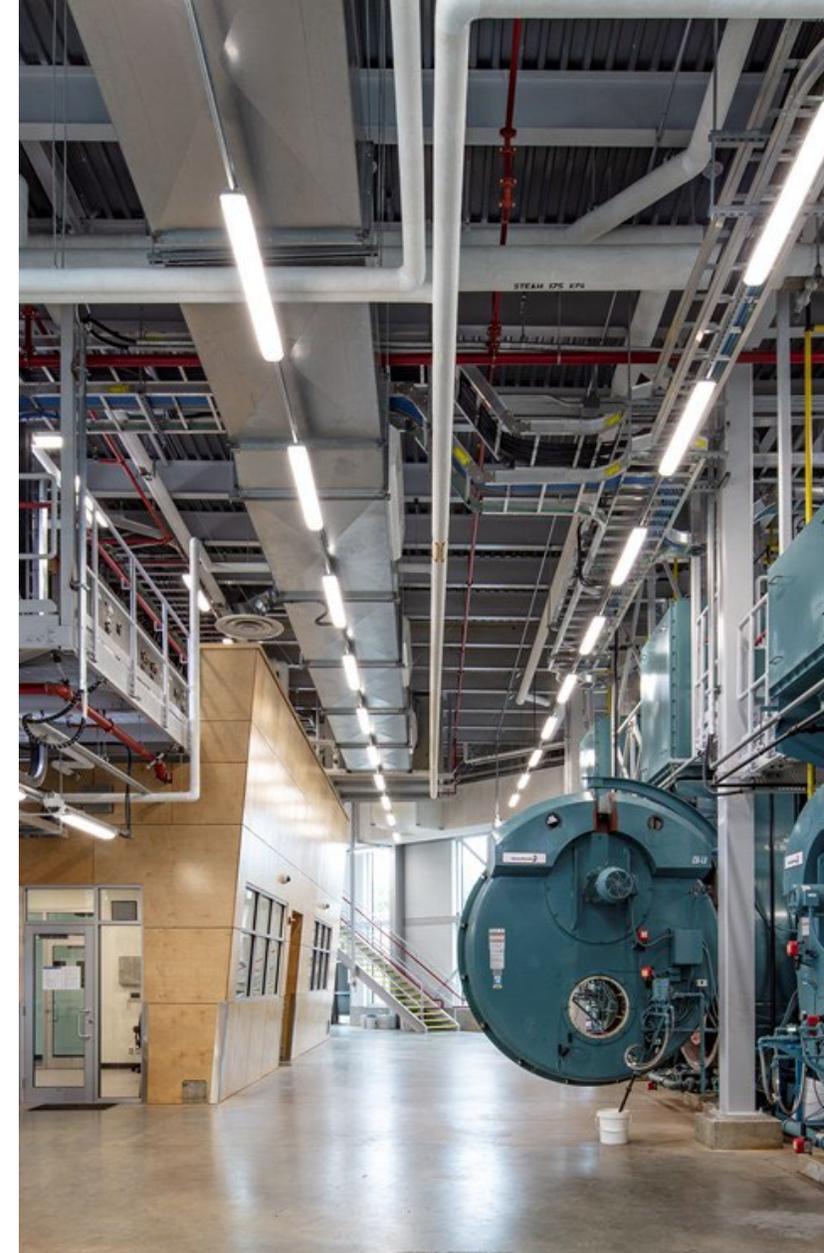
Gross and net revenue (\$ millions)



**\$1.3
Billion**

BACKLOG

- **7.2%** organic growth
- Environmental Services – high demand for permitting and archeological services
- Energy & Resources – double digit growth with energy transition initiatives
- Infrastructure – strong housing market in Western Canada; bridge work in Quebec; ongoing recovery efforts from flooding in British Columbia
- Buildings – healthcare and mixed-use commercial projects

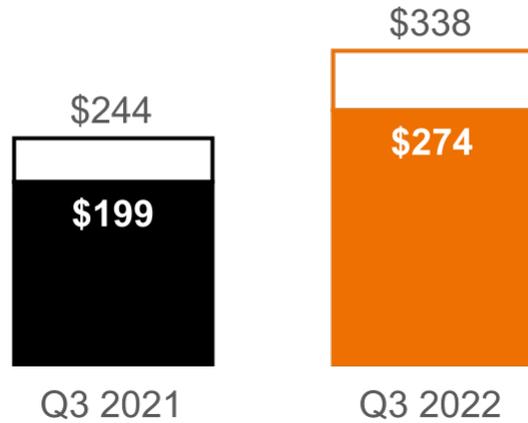


Nanaimo Regional General Hospital
Thermal Energy Centre
Nanaimo, British Columbia, Canada



Global

Gross and net revenue (\$ millions)

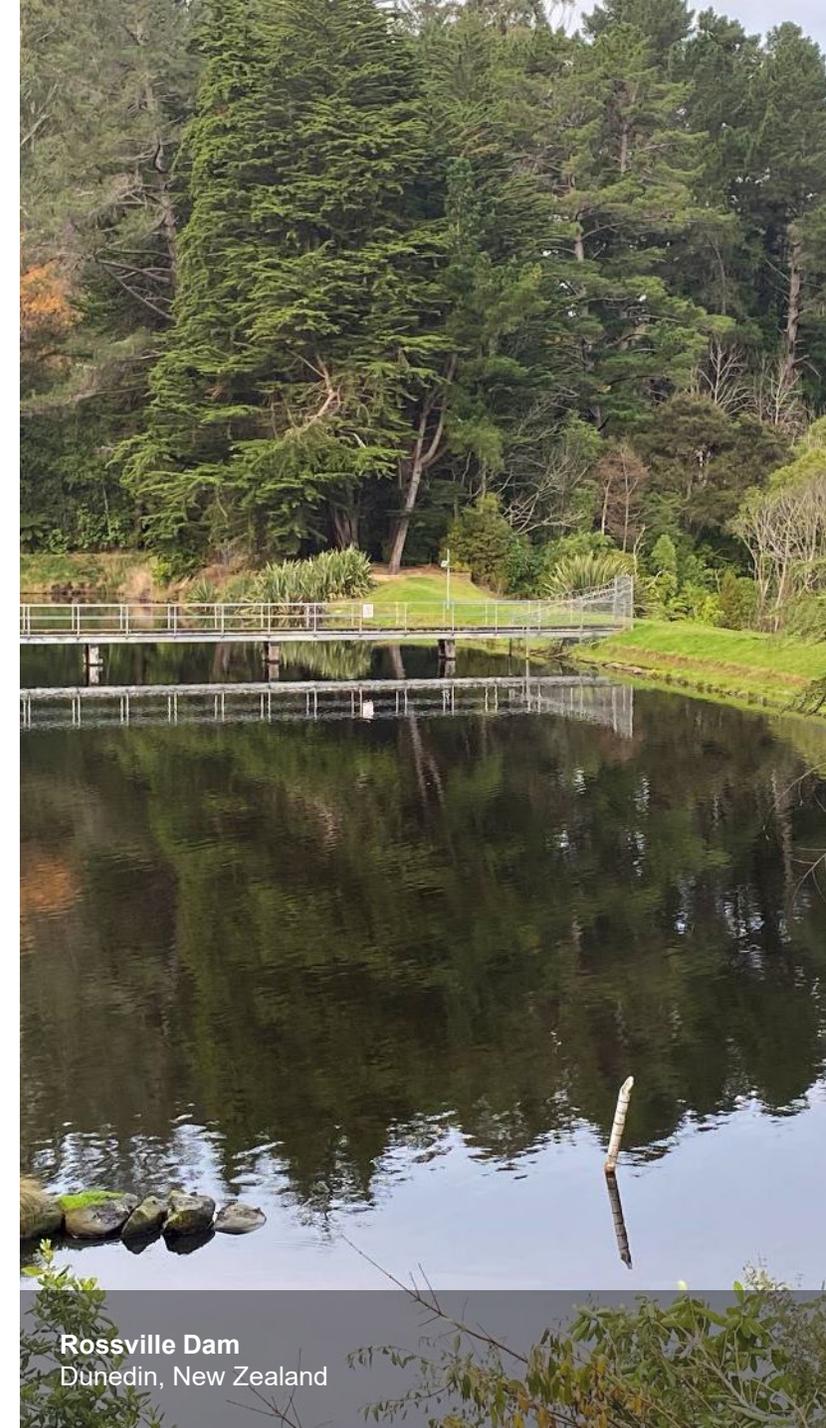


□ Gross Revenue ■ Net Revenue

**\$1.0
Billion**

BACKLOG

- **14.1%** organic growth; achieved in every business operating unit
- **30.1%** acquisition growth
- Water – strong organic growth across the UK and New Zealand
- Infrastructure – double digit organic growth
- Environmental Services – strength in community development and mining



Rossville Dam
Dunedin, New Zealand



STN
TSX-NYSE

Q3 2022



Q3 2022 Financial Performance

British Columbia Institute of Technology
Health Sciences Centre
Burnaby, British Columbia, Canada

Theresa Jang - Executive Vice President and Chief Financial Officer

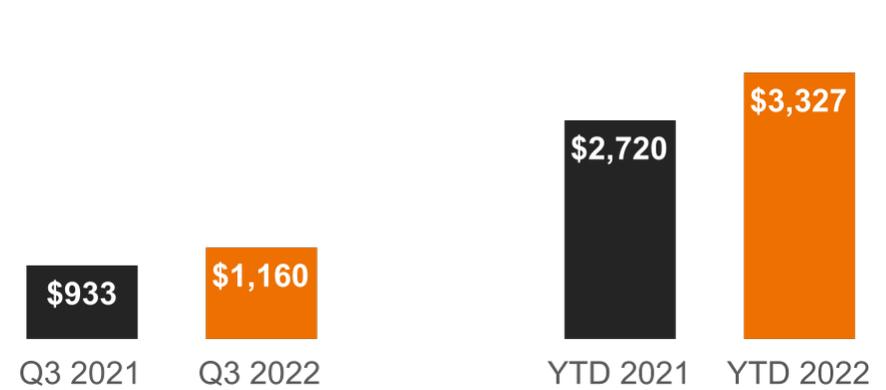


Q3 2022 Financial results

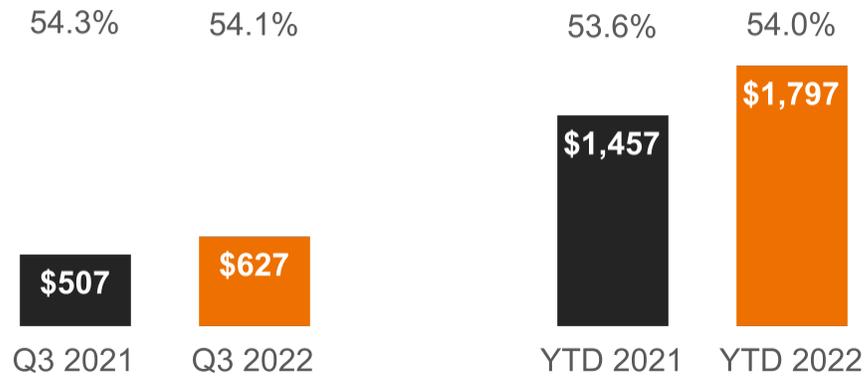
Gross revenue (\$ millions)



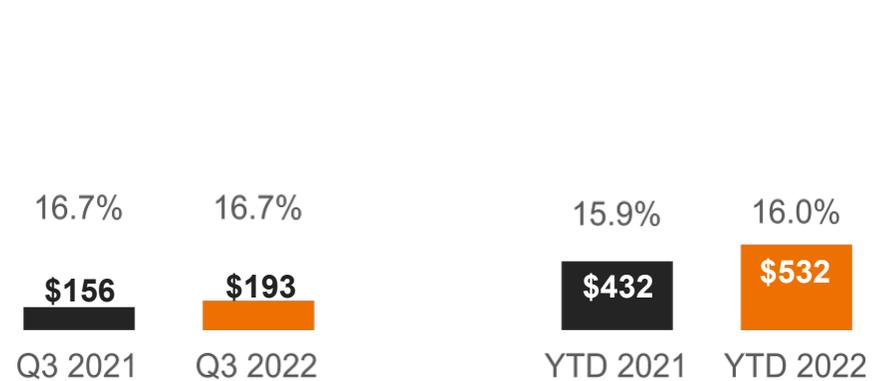
Net revenue (\$ millions)



Project margin (\$ millions and %NR)



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



(1) Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures discussed in the Definitions section of the Q3 2022 MD&A.

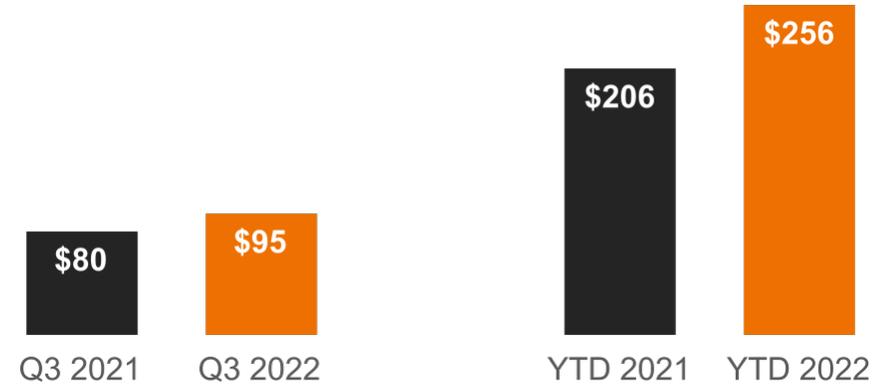


Q3 2022 Financial results

Net income
(\$ millions)



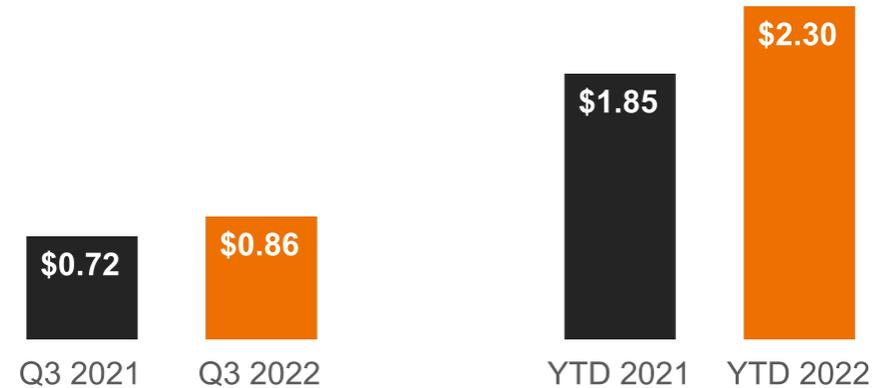
Adjusted net income ⁽¹⁾
(\$ millions)



Diluted earnings per share (\$)



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



(1) Adjusted net income and adjusted diluted earnings per share are non-IFRS measures discussed in the Definitions section of the Q3 2022 MD&A.

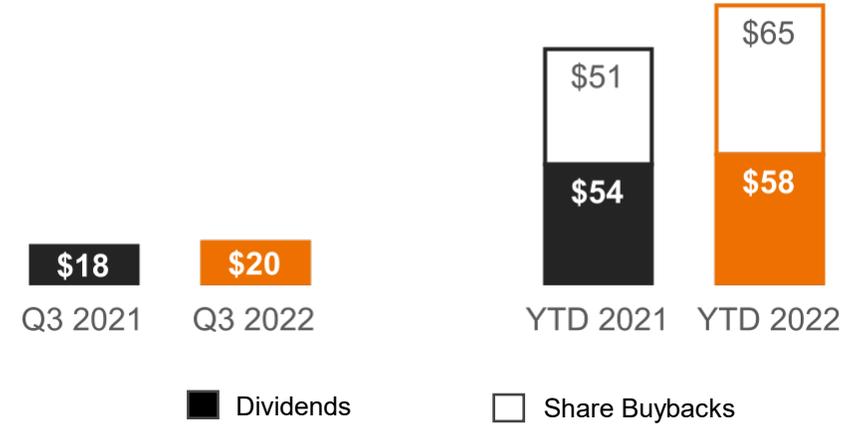


Liquidity and capital resources

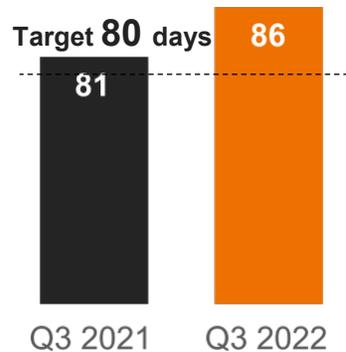
Operating cash flow (\$ millions)



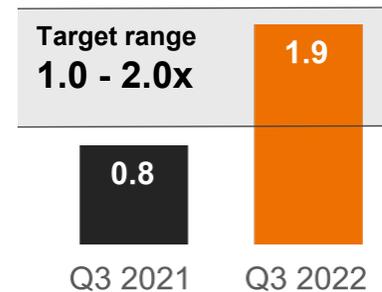
Capital returned to shareholders (\$ millions)



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 2022 MD&A.



STN
TSX · NYSE

Q3 2022



Q3 2022

Muldraugh Water Treatment Plant
Fort Knox, Texas, US

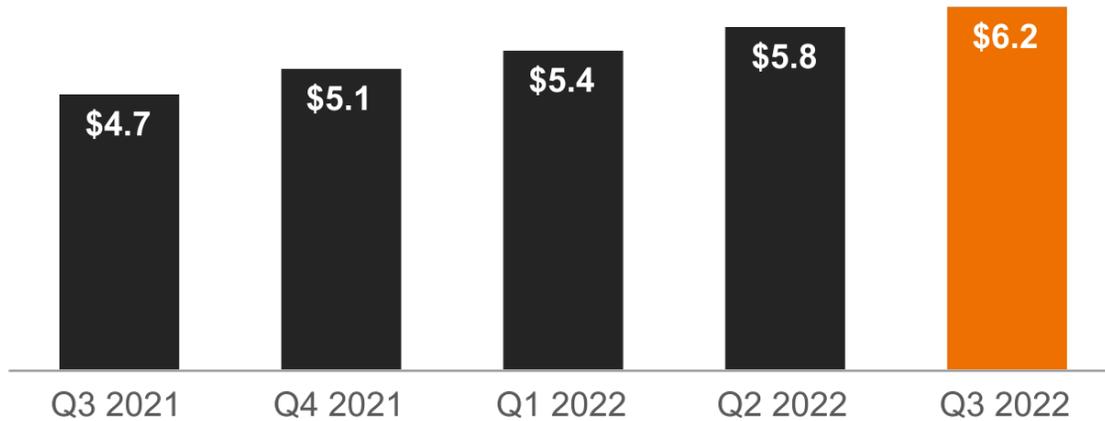
Backlog, Major Project Awards & Outlook

Gord Johnston - President and Chief Executive Officer



Record backlog

Backlog (\$ billions)



- **20.2%** growth since December 31, 2021
- **15.1%** organic growth; achieved in every regional and business operating unit
- Represents approximately **14** months of work



Stella's Place Ambulatory Mental Health Hub
Toronto, Ontario, Canada

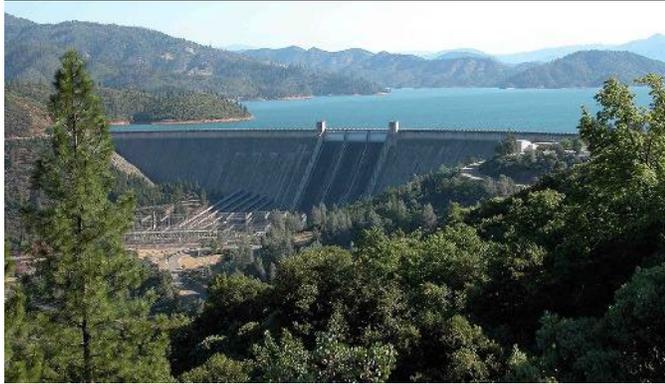
Q3 major project awards

Aging and overloaded infrastructure



Region	Project
US	<ul style="list-style-type: none"> Western Slope Bridge & Structures Project (Colorado)
Canada	<ul style="list-style-type: none"> Metrolinx GTA Project (Ontario) Cape Horn Pump Station No. 3 (British Columbia)
Global	<ul style="list-style-type: none"> Airport Expansion Project in Asia

Climate change



Region	Project
US	<ul style="list-style-type: none"> Alternative Water Source Program (Illinois) Underground/System Hardening (California) Water Quality / Dam Improvements
Global	<ul style="list-style-type: none"> Horn of Africa Corridors: Diagnostic Study (Belgium)

Re-shoring domestic production



Region	Project Area
Canada	<ul style="list-style-type: none"> Bio-fuels
US, & Global	<ul style="list-style-type: none"> Semiconductors Logistics / Fulfillment Centres



Outlook

2022 Financial Targets

Targets	2022 Annual Range	Sept 30, 2022 YTD Actuals
Net revenue growth	18% to 22%	22.3%
Adjusted EBITDA as % of net revenue ⁽¹⁾	15.3% to 16.3%	16.0%
Adjusted net income as % of net revenue ⁽¹⁾	>7.5%	7.7%
Adjusted ROIC (revised) ^(1,2)	>10.0%	(note)

2022 Adjusted diluted EPS⁽¹⁾ 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 Q3 2022 MD&A).

(2) Revised to >10.0% vs previous guidance of >10.5%

Note: Adjusted ROIC is calculated annually at the end of the year.



Q&A

Albany Skyway
Albany, New York, US

