Stantec

CIBC 23rd Annual Western Institutional Investor Conference

January 29, 2020

STN
TSX · NYSE

Cautionary Note Regarding Forward-Looking Statements

*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 expectations regarding organizational reshaping, 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 describe management's expectations as of December 3, 2019 and are provided for the purpose of providing 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 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 2018 Annual Report incorporated herein by reference. Readers can access our Annual Report online by visiting EDGAR on the SEC website at sec.gov or by visiting the CSA website at sedar.com or on Stantec's website at stantec.com.

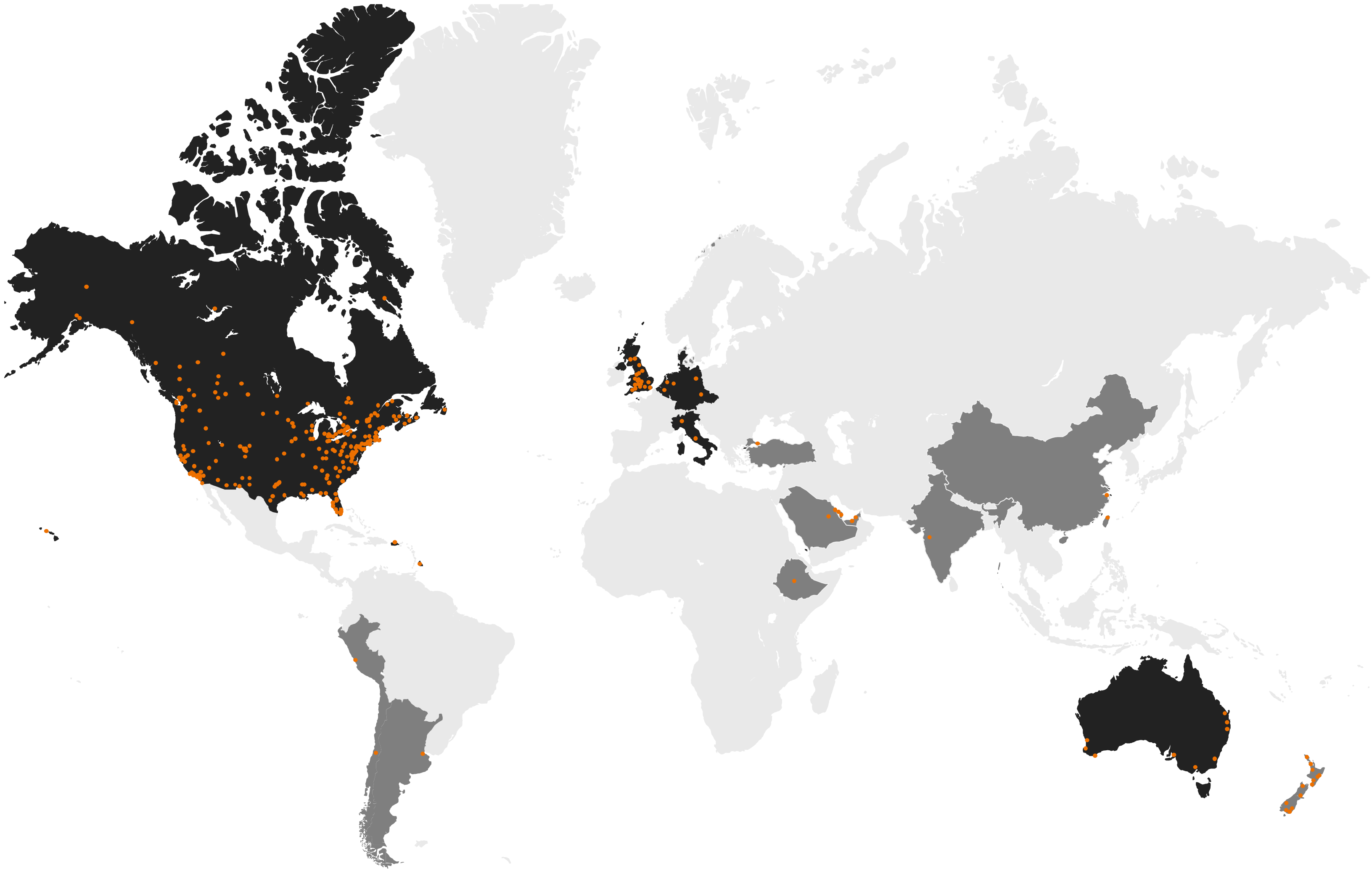
In determining our forward-looking statements, we consider material factors including assumptions about the performance of the Canadian, US, and global economies in 2020 and beyond and their effect on our business. These key factors and assumptions are outlined thoroughly in our press release dated December 3, 2019. Unless otherwise indicated, all amounts expressed in Canadian dollars.

STANTEC AT A GLANCE

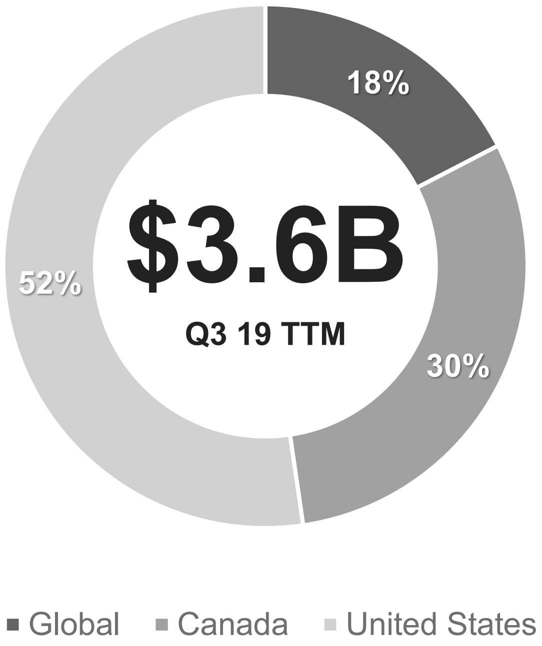
STN TSX & NYSE	**400** Locations Worldwide	**CDN $4.4B**[(2)] Market Cap
22,000 Employees Globally	**CDN $3.6B** Annual Net Revenue [(1)]	**65 YEARS** Of Uninterrupted Profitability

(1) Q3 19 TTM
(2) As of January 23, 2020

WHERE WE ARE



Distribution of Net Revenue



WHAT WE DO

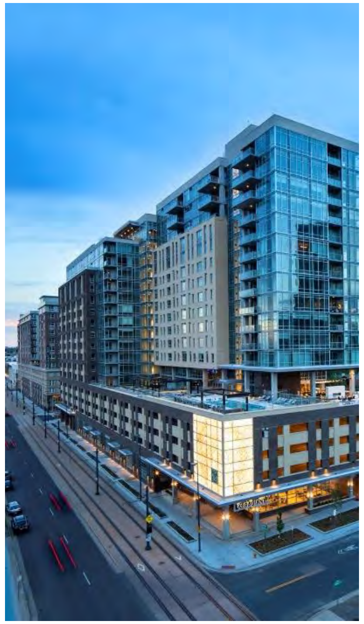
Design & Engineering Services

For everything from small local projects to iconic mega projects

Business Operating Units

INFRASTRUCTURE

$1,036M



BUILDINGS

$805M

WATER

$731M

ENVIRONMENTAL SERVICES

$551M

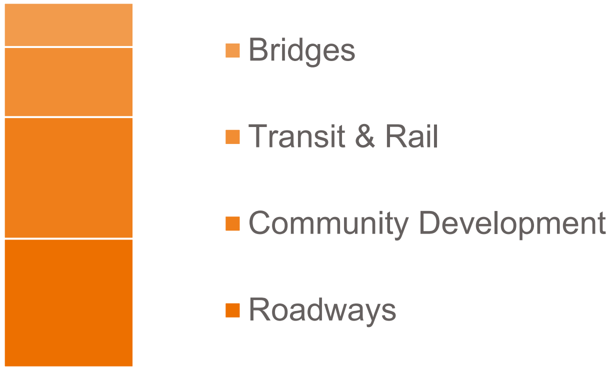
ENERGY & RESOURCES

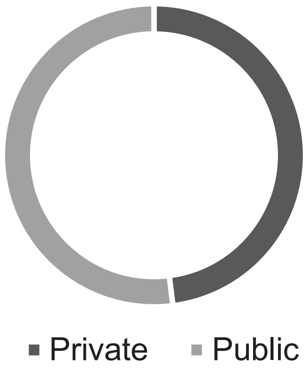
$524M

(Q3 19 TTM Net Revenue)

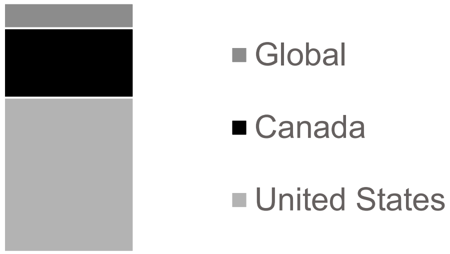
BUSINESS OPERATING UNIT

Infrastructure





Net revenue by region YTD



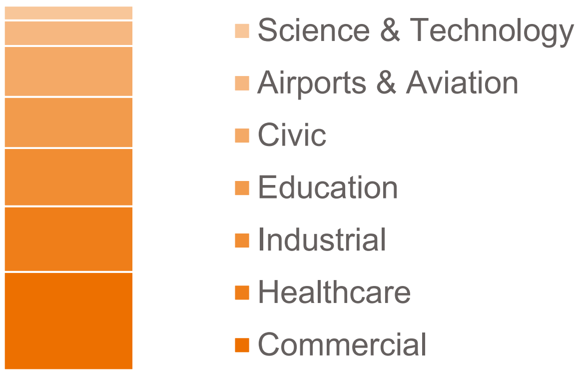
Organic growth	Q3 19	YTD
Gross revenue	20.1%	12.6%
Net revenue	10.3%	6.0%

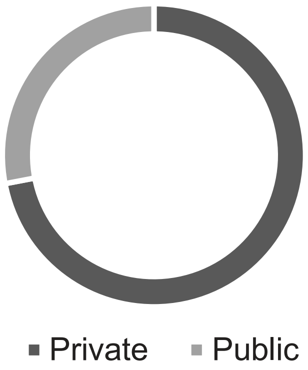
28%*

*As an approximate percentage of Q3 2019 YTD net revenue

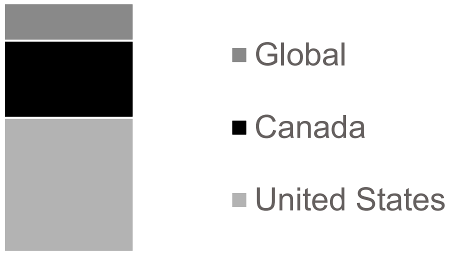
BUSINESS OPERATING UNIT

Buildings

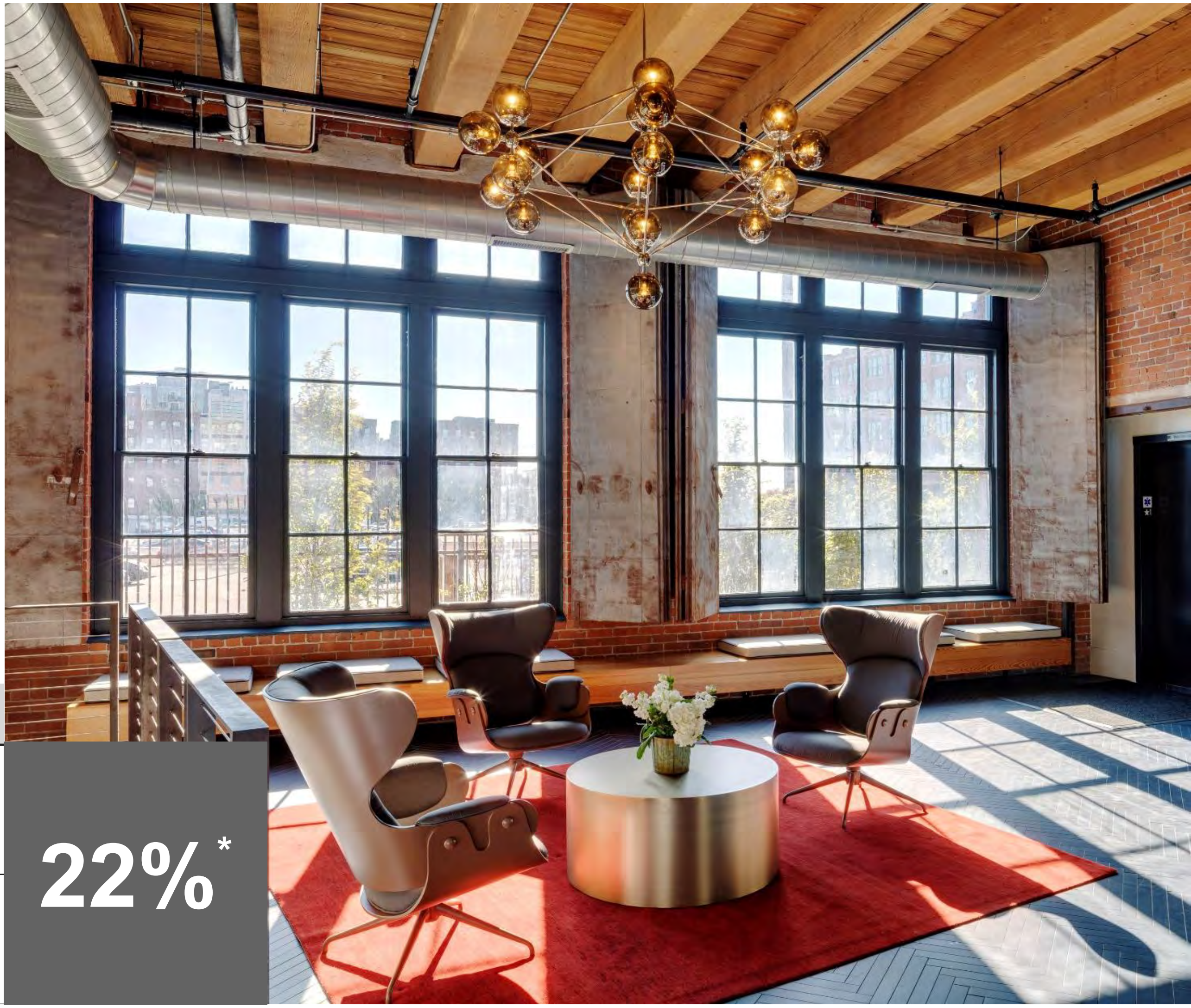




Net revenue by region YTD



Organic growth	Q3 19	YTD
Gross revenue	2.6%	0.9%
Net revenue	4.5%	1.8%

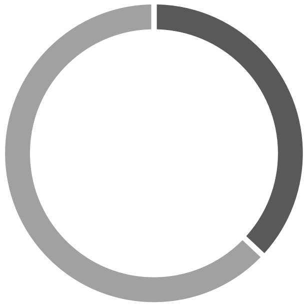


22%*

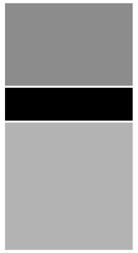
*As an approximate percentage of Q3 2019 YTD net revenue

BUSINESS OPERATING UNIT

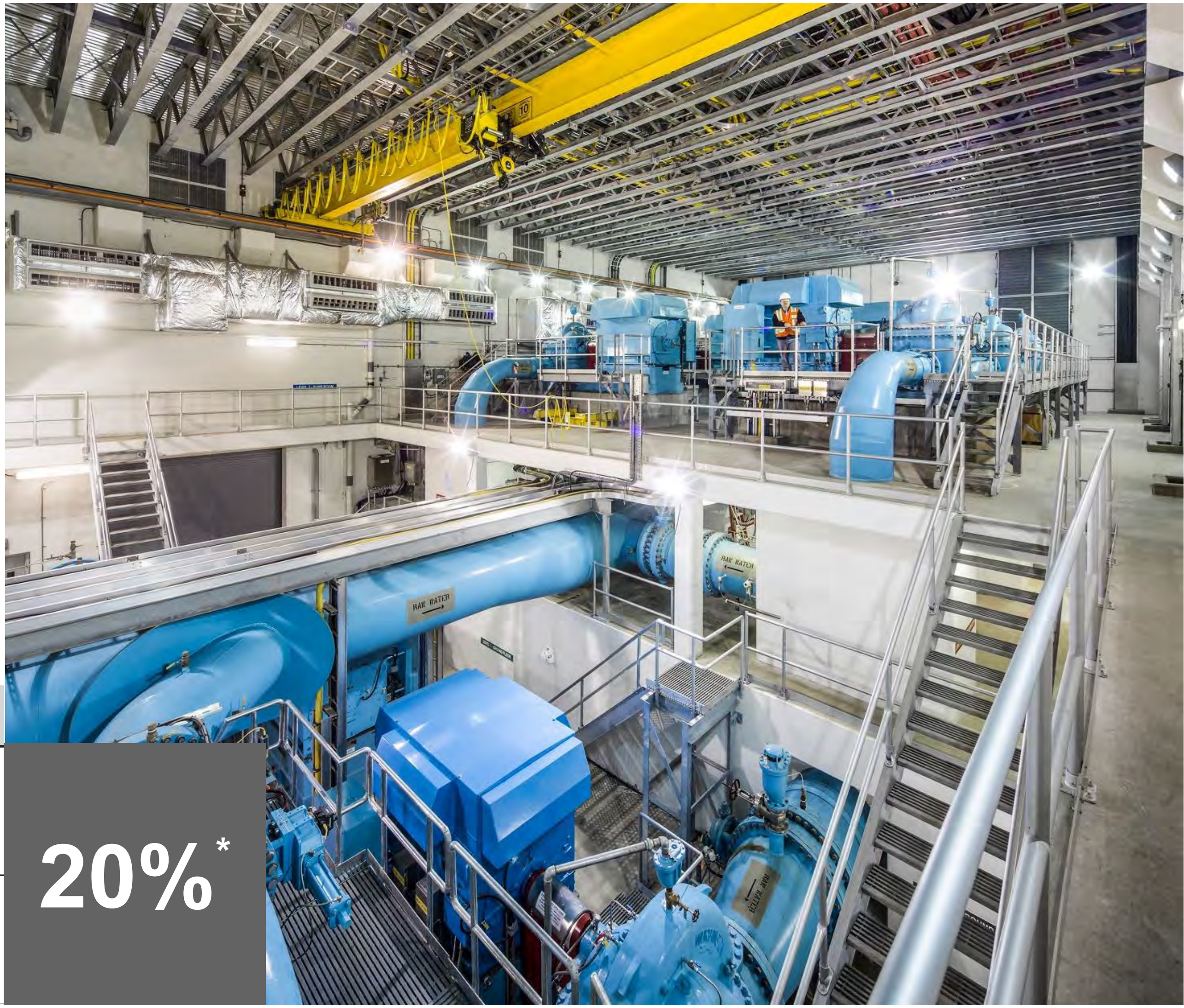
Water



Net revenue by region YTD



Organic growth	Q3 19	YTD
Gross revenue	7.5%	6.4%
Net revenue	7.4%	2.6%



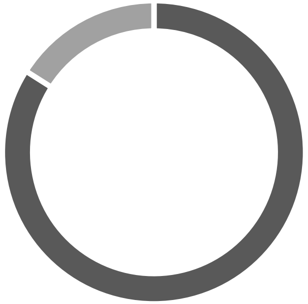
20%*

*As an approximate percentage of Q3 2019 YTD net revenue

BUSINESS OPERATING UNIT

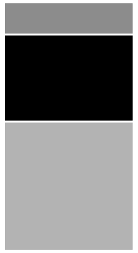
Environmental Services

- Transportation
- Mining
- Community Development
- Buildings
- Power
- Oil & Gas
- Water



- Private
- Public

Net revenue by region YTD



- Global
- Canada
- United States

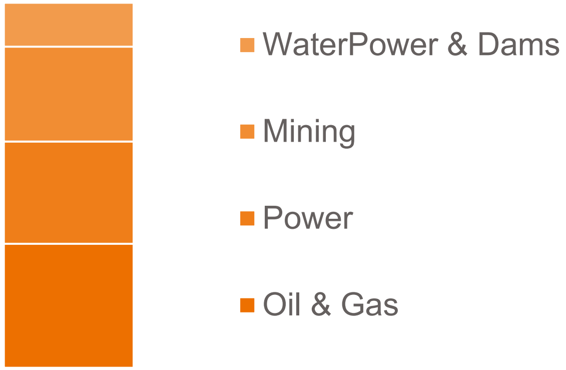
Organic growth	Q3 19	YTD
Gross revenue	17.6%	9.8%
Net revenue	17.2%	13.1%

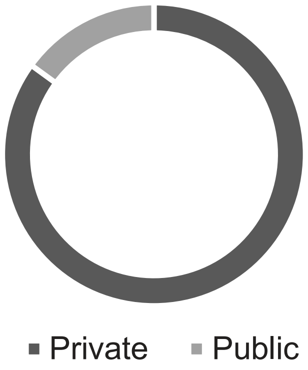
15%*

*As an approximate percentage of Q3 2019 YTD net revenue

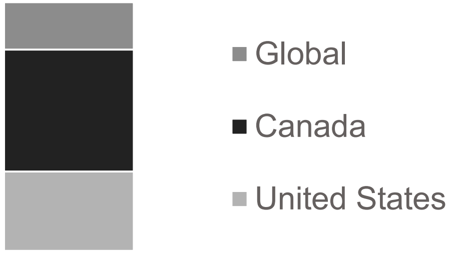
BUSINESS OPERATING UNIT

Energy & Resources

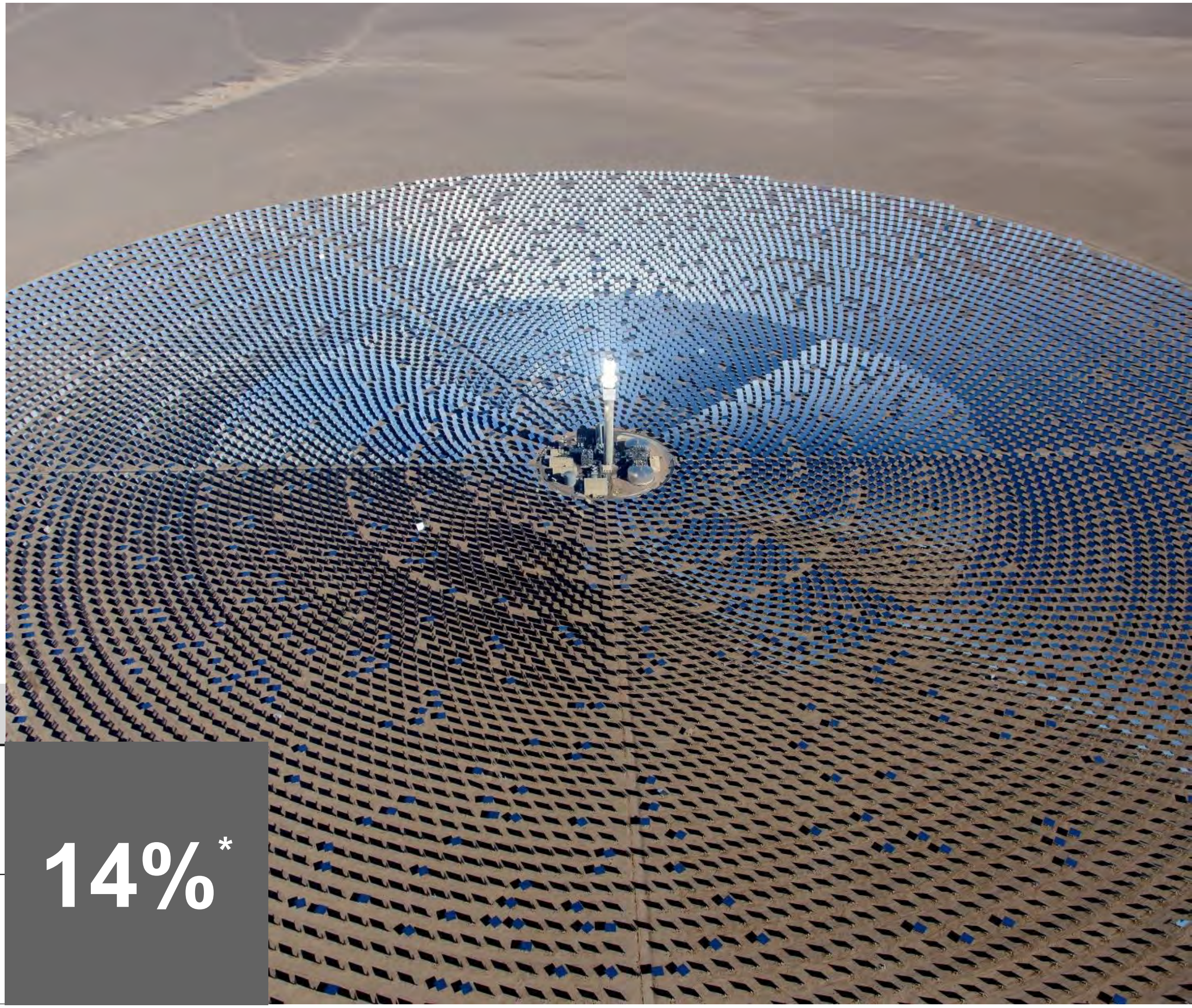




Net revenue by region YTD



Organic growth	Q3 19	YTD
Gross revenue	(3.7%)	(0.7%)
Net revenue	(2.7%)	(2.1%)



14%*

*As an approximate percentage of Q3 2019 YTD net revenue

OUR VISION

To be a top 10 global design firm that maximizes long-term, sustainable value

Pure play design focus

Strong alignment with shareholders

Earnings growth

Disciplined capital allocation

Peace River
Regional Reservoir

OUR OPPORTUNITY

Key Market Trends

Climate change, Urbanization, Geopolitics and breakthrough technology

Strategic Growth Opportunities

COASTAL RESILIENCE

US$300B[1]

ECOSYSTEM RESTORATION

US$9,000B[1]

SMART CITIES AND URBAN PLACES

US$1,700B[2]

ENERGY REMIX

US$13,040B[3]

US$24 Trillion

TOTAL SPEND IN THE NEXT DECADE

US$2 Trillion

ADDRESSABLE ENGINEERING AND DESIGN SPEND

1) United Nations by 2030
2) Navigant Research by 2030
3) IEA by 2025

OUR STRATEGY

To grow and diversify sustainably for the benefit of our clients, employees and shareholders.

We will do this through

Strong execution, efficient operations, and disciplined capital allocation while delivering a great client experience.

We will measure our success through

Strong earnings per share growth, improved returns on invested capital, balance sheet stability, employee engagement and client satisfaction.

Our 2022 Targets

Ruwais Marina District,
Rumais, Abu Dhabi, UAE

NET REVENUE	ADJUSTED EBITDA MARGIN	ADJUSTED EARNINGS PER SHARE	RETURN ON INVESTED CAPITAL
>10%	**16-17%**	**>11%**	**>10%**
CAGR	OF NET REVENUE	CAGR	

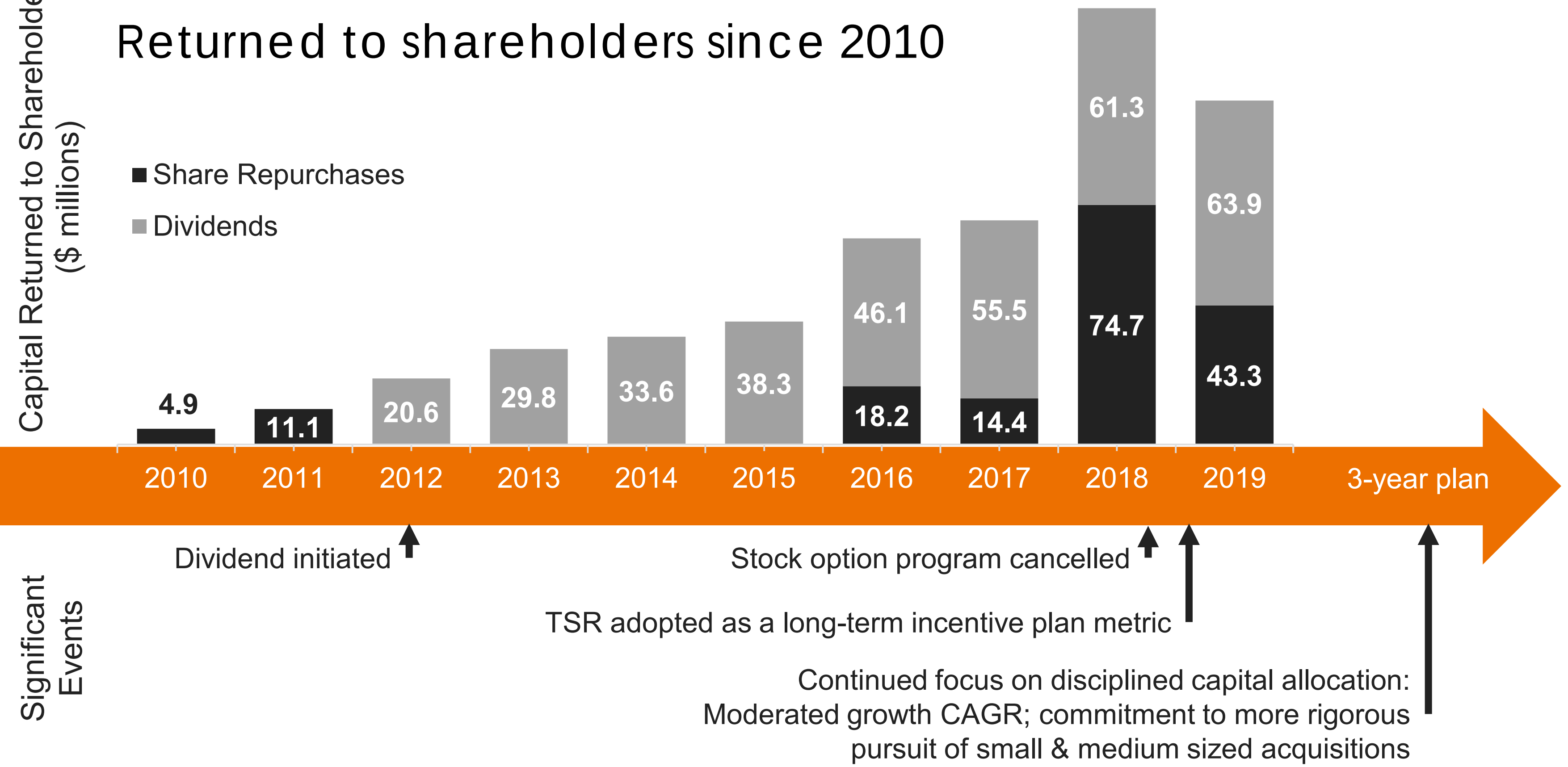
Bhote Koshi Hydropower Project
Bhoti Koshi River, Sindhulpalchok District, Nepal

Capital Allocation

Capital allocation strategy has evolved

More than $500M

Returned to shareholders since 2010



WE ARE DRIVEN TO ACHIEVE

25 - 30%

DIVIDEND PAY OUT RATIO

>11%

ADJUSTED EPS CAGR

>10%

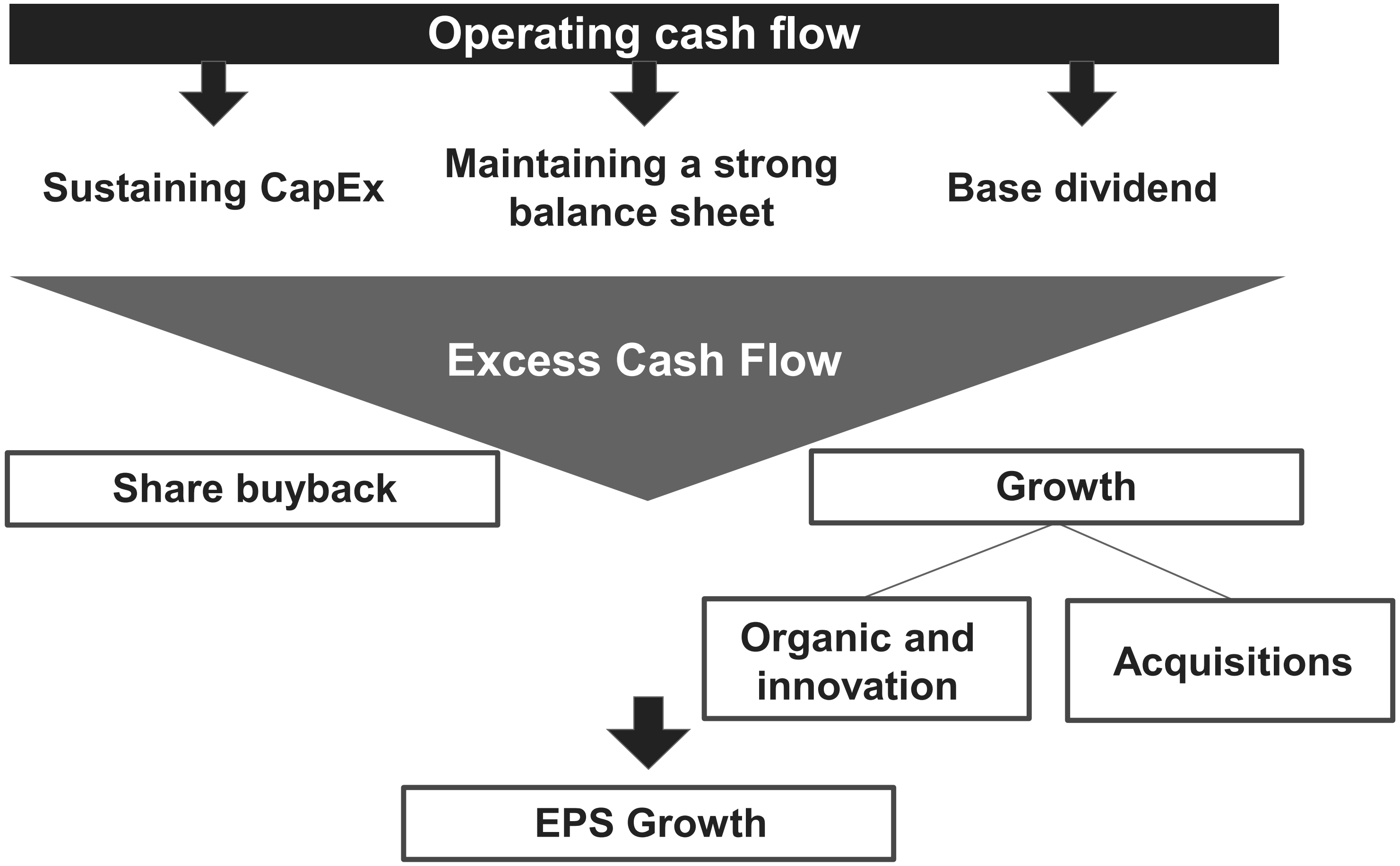
RETURN ON INVESTED CAPITAL BY 2022

Our capital allocation philosophy

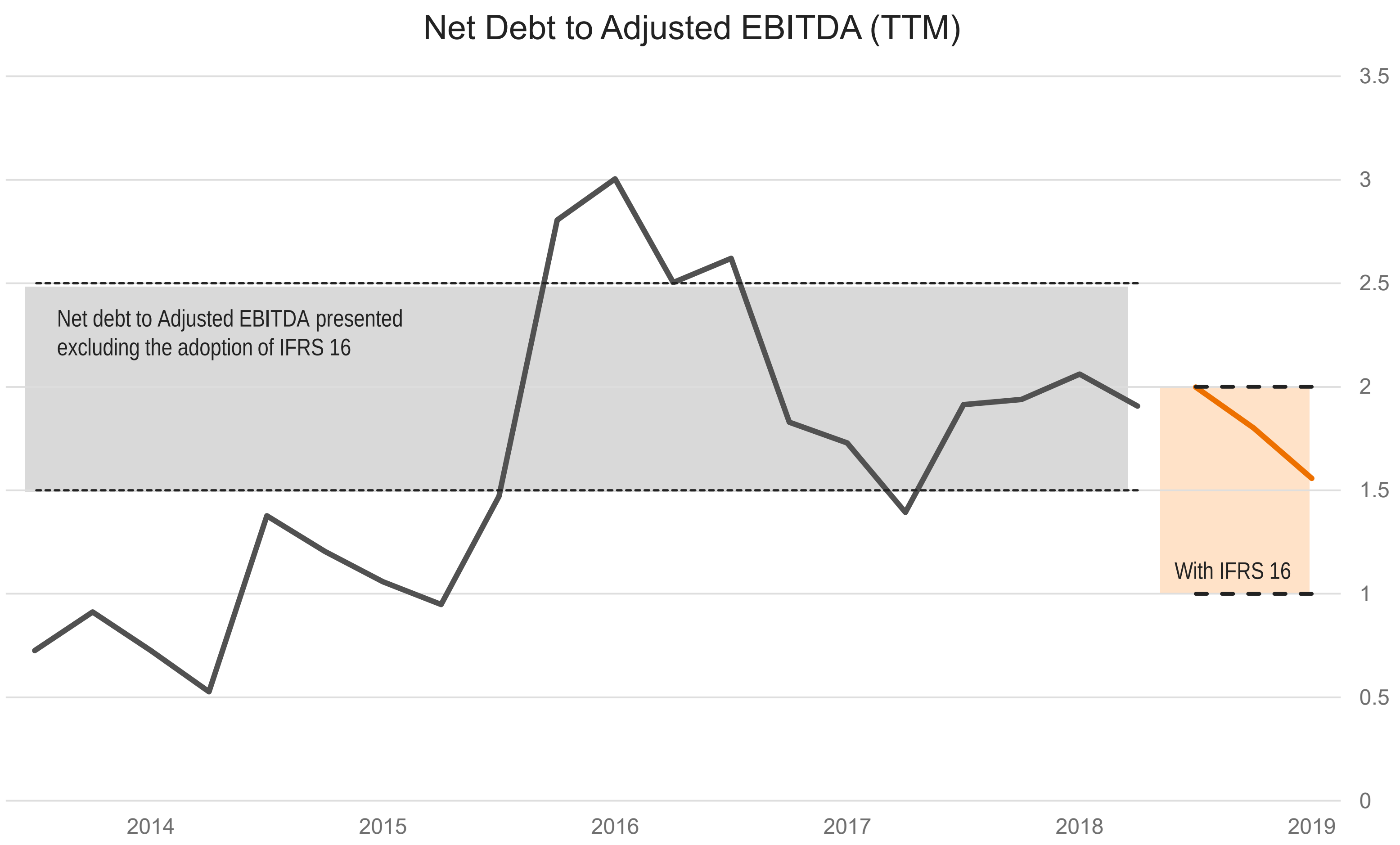
Focused on achieving the best risk adjusted returns

Our core commitments

Competing capital for the best risk adjusted returns



Balance sheet strength



WE ARE DRIVEN TO ACHIEVE

1.0 - 2.0x

NET DEBT : ADJUSTED EBITDA WITH IFRS 16

When compelling, strategic opportunities arise, we are willing to flex above target range but with a line of sight to being back within the range in 12 months.

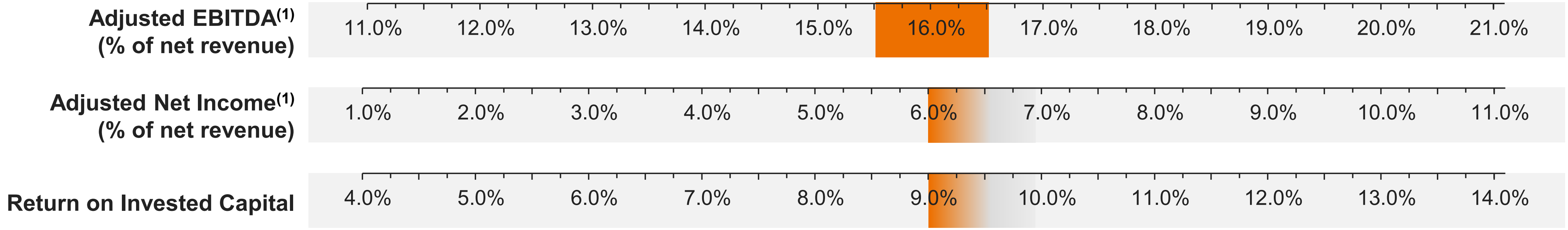
Continued focus on days sales outstanding and return on net working capital

SEVA résidences – foot bridge and marsh development, Candiac, Québec

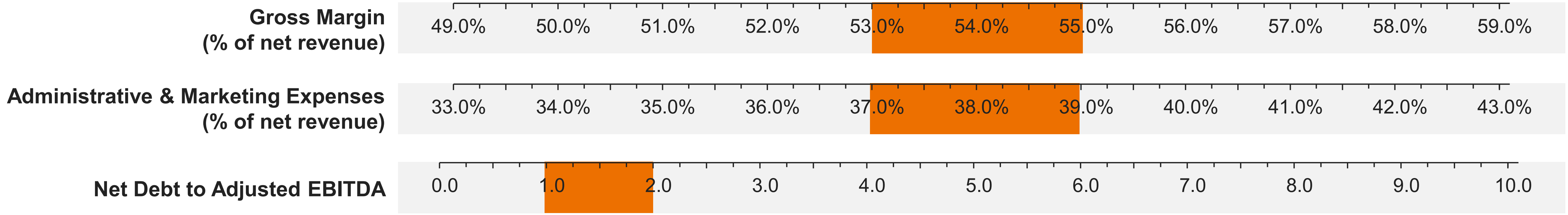
2020 Guidance

2020 targets and guidance

Targets:



Guidance:



(1) Adjusted EBITDA and adjusted net income are non-IFRS measures (discussed in the Definition section of Stantec's 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis).
**2019 Target Range was previously published in the 2018 Annual Report. Certain targets were revised in Q1 19 for the adoption of IFRS 16 and incorporation of adjusted measures.*

Ma'Amir & North Refinery Industrial Area Sewage Treatment Plant

ESG leadership that drives value

ENVIRONMENTAL LEADERSHIP

Stewardship and innovation that drives value

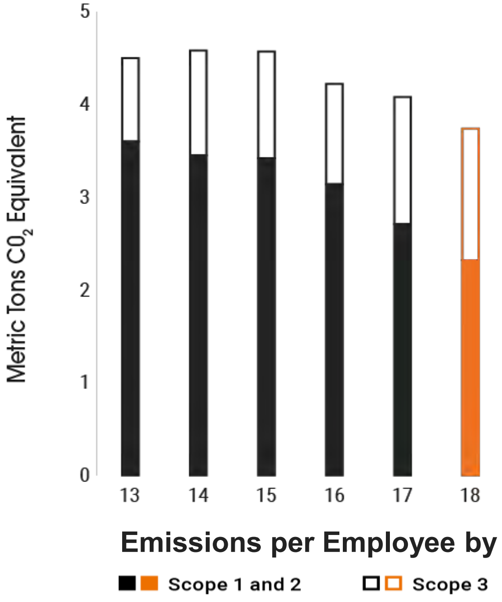
Stantec's recognized leadership in sustainable design helps us win projects

Reducing our impact:

In 2018 we achieved a 36% reduction in scope 1 and 2 emissions from our 2013 baseline – We expect to surpass our 2028 reduction target of 40%

Recent accolades:

- Corporate Knights 2020: Ranked as Top 100 Most Sustainable Companies in the World
- CDP Climate Leader – 2019 CDP score of A-
- Top 100 Smart City Partners - Newsweek magazine



Emissions per Employee by Year

Industry Recognitions

#1 Green design firm for educational facilities (ENR)

#3 Design firm in power for hydro plants (ENR)

#1 International design firm for sewer and waste (ENR)

#7 Environmental firm (ENR)

#2 International design firm for water (ENR)

#9 Design firm in power for wind power (ENR)

#2 Green building firm (ENR)

#10 Design firm in the world (ENR)

#3 Design firm in North America (ENR)

ENR – Engineering News-Record Magazine
BD&C – Building Design & Construction Magazine

SOCIAL LEADERSHIP

Embracing and engaging diverse groups

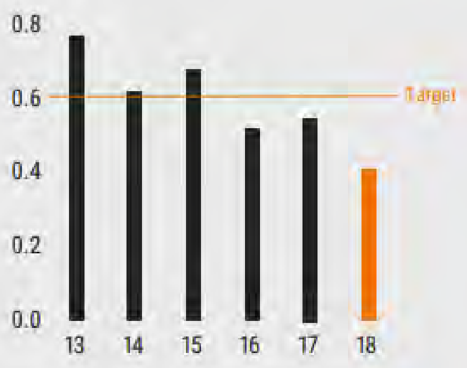
Improves the performance of our business and our ability to support clients

SaferTogether: A culture of safety
Indigenous Communities: Partnering and building capacity
Inclusion and Diversity: Targeting > 85% engagement

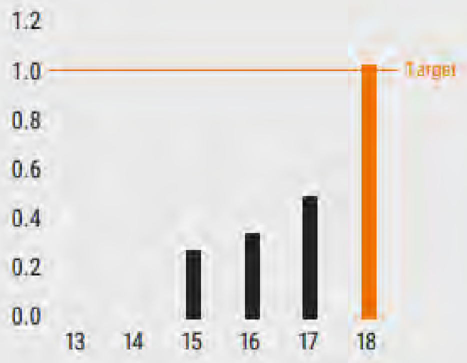
Inclusion in:

- The Bloomberg Gender-Equality Index
- The Jantzi Social Index

Safety Statistics by Year



TRIR
A lagging indicator that tracks the number of recordable incidents that a company experiences during a year, normalized to 100 full-time employees. A low TRIR score is desirable.

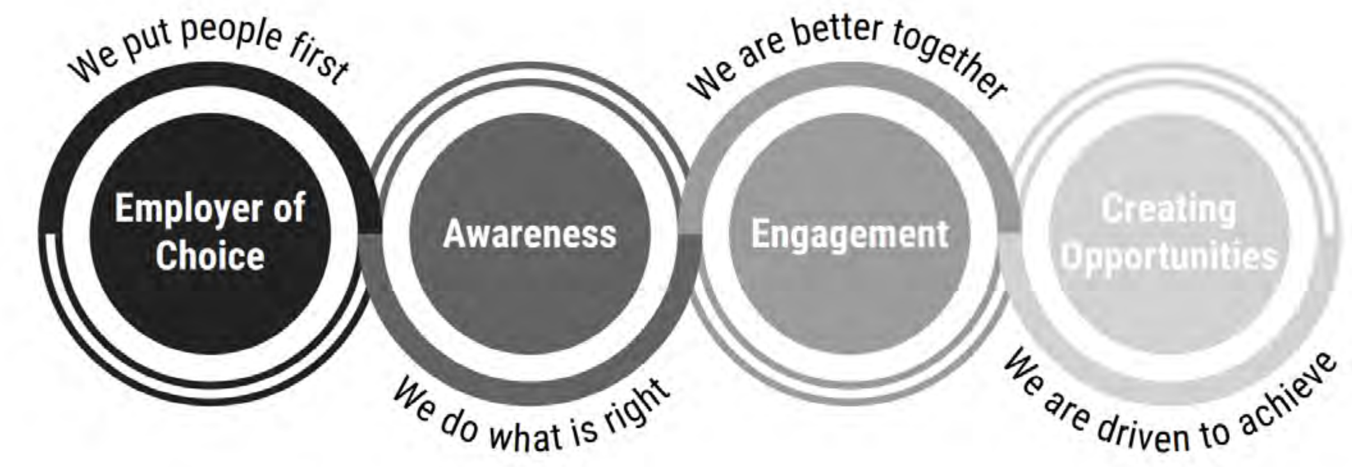


LISI
An index composed of leading indicators that measures proactive and preventative activities. Identifying leading indicators is intended to reduce the number of safety incidents that occur and to promote a proactive approach to health and safety. A high LISI score is desirable.

STRONG GOVERNANCE

A diverse board and values-based leadership

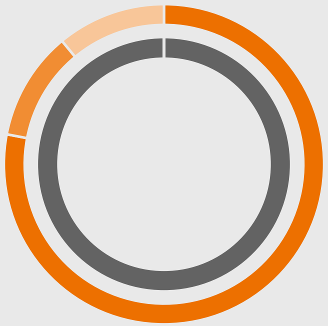
A board dominated by independent directors from exceptional backgrounds and leadership driven by clear values position Stantec for the future



Business Conduct:

- 99% compliance with mandatory ethics training in 2018

Board Composition and Experience



Environmental and Social Factors
- 78% highly experienced
- 11% general experience
- 11% limited experience

Governance
- 100% highly experienced

Health, Safety, and Security
- 67% highly experienced
- 33% general experience

Risk Management
- 89% highly experienced
- 11% general experience

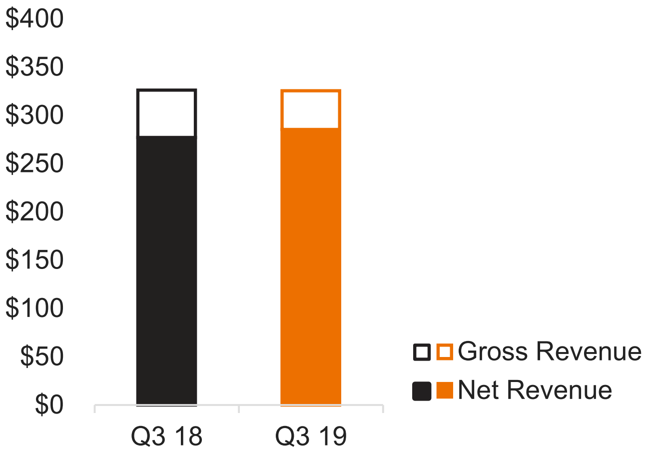

Stantec
Thank You!
STN
TSX·NYSE

Appendix: Geographies

Stantec Tower
Edmonton, Alberta

Canada

millions (C$)



Results in line with expectations for slower economic growth

Environmental Services, Mining, and Transportation led growth

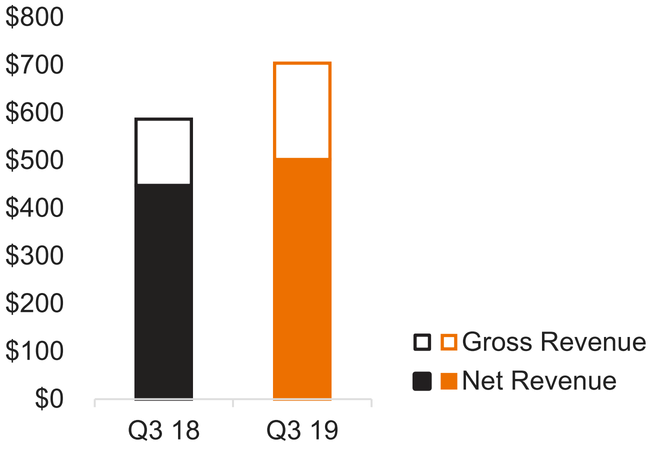
Energy & Resources retraction due to projects wrapping up or nearing completion

University of Lethbridge - Science and Academic Building
Lethbridge, Alberta

	Q3 19	YTD
Net revenue growth	2.9%	2.1%
Organic net revenue growth (retraction)	2.2%	(0.3%)
Backlog at September 30, 2019		$1.0B

United States

millions (C$)



Strong growth in Transportation, Environmental Services, and Water

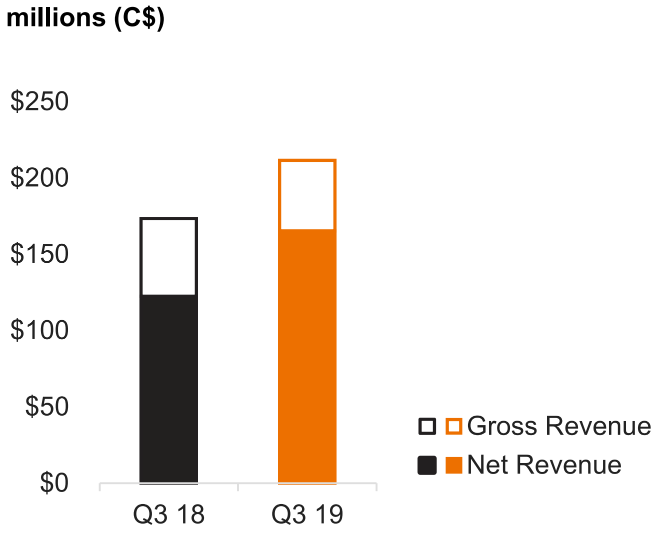
Continued work on major rail and transit projects

Several wins in renewables and hydropower work

Red Rock Hydroelectric Project
Pella, Iowa

	Q3 19	YTD
Net revenue growth	12.1%	9.8%
Organic net revenue growth	11.1%	6.1%
Backlog at September 30, 2019		$2.8B

Global



Acquisitions of PBA and WGE contributed to growth in Buildings and Infrastructure

Organic growth across all businesses except WaterPower & Dams

Several projects wins in the Middle East with government clients

The Leys School
Cambridge, England

	Q3 19	YTD
Net revenue growth	34.8%	40.0%
Organic net revenue growth	6.0%	6.8%
Backlog at September 30, 2019		$640M

Q3 2019

Development of a footbridge and a marsh at SEVA residences/
Aménagement d'une passerelle et d'un marais aux résidences SEVA

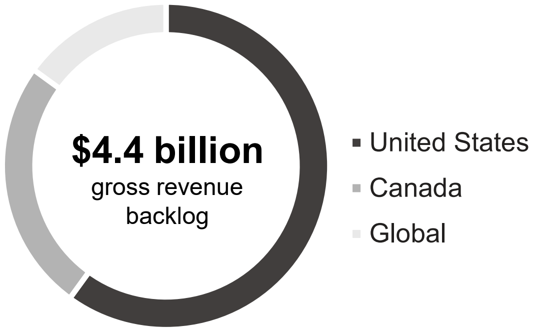
Candiac, QC, Canada

Q3 2019 Overview

12.4% **growth** in net revenue driven by:

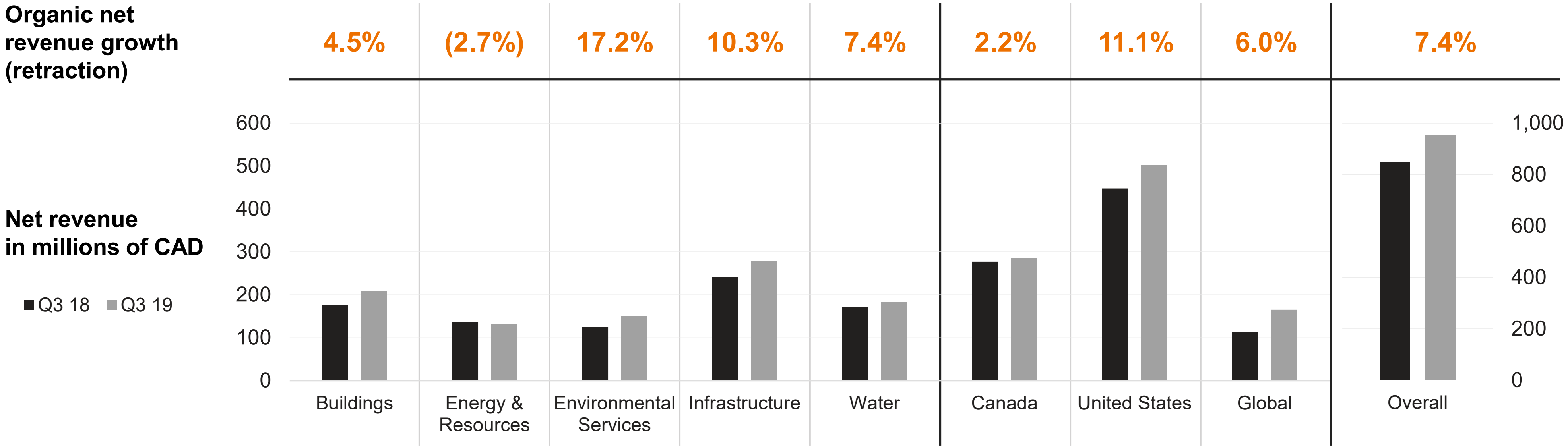
- **7.4% organic growth** in all geographies and businesses except Energy & Resources
- **4.8% acquisition growth** mainly focused in Buildings and Infrastructure

13.4% **increase** in gross margin reflecting continued focus on project execution and project mix



5.4% backlog increase from end of 2018

11 months of work



Adoption of IFRS 16

(millions of Canadian dollars except where noted)	**Q3 19 as reported**	**Q3 19 excluding IFRS 16**	Increase (decrease)
Impact on income statement items			
Administrative and marketing expenses	**355.6**	390.6	(35.0)
Depreciation of lease assets	**29.3**	-	29.3
Net interest expense	**17.2**	9.0	8.2
Net income	**57.8**	59.6	(1.8)
Impact on non - IFRS financial measures *(1)*			
EBITDA	**157.9**	122.9	35.0
Adjusted EBITDA	**159.1**	124.1	35.0
Net debt/adjusted EBITDA	**1.6x**	2.1x	(0.5)

(1) Non-IFRS measures are discussed in the Definitions section of our 2018 Annual Report and Q3 19 Management's Discussion & Analysis. Net debt/adjusted EBITDA was calculated using a proforma IFRS 16 adjustment for Q418 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.

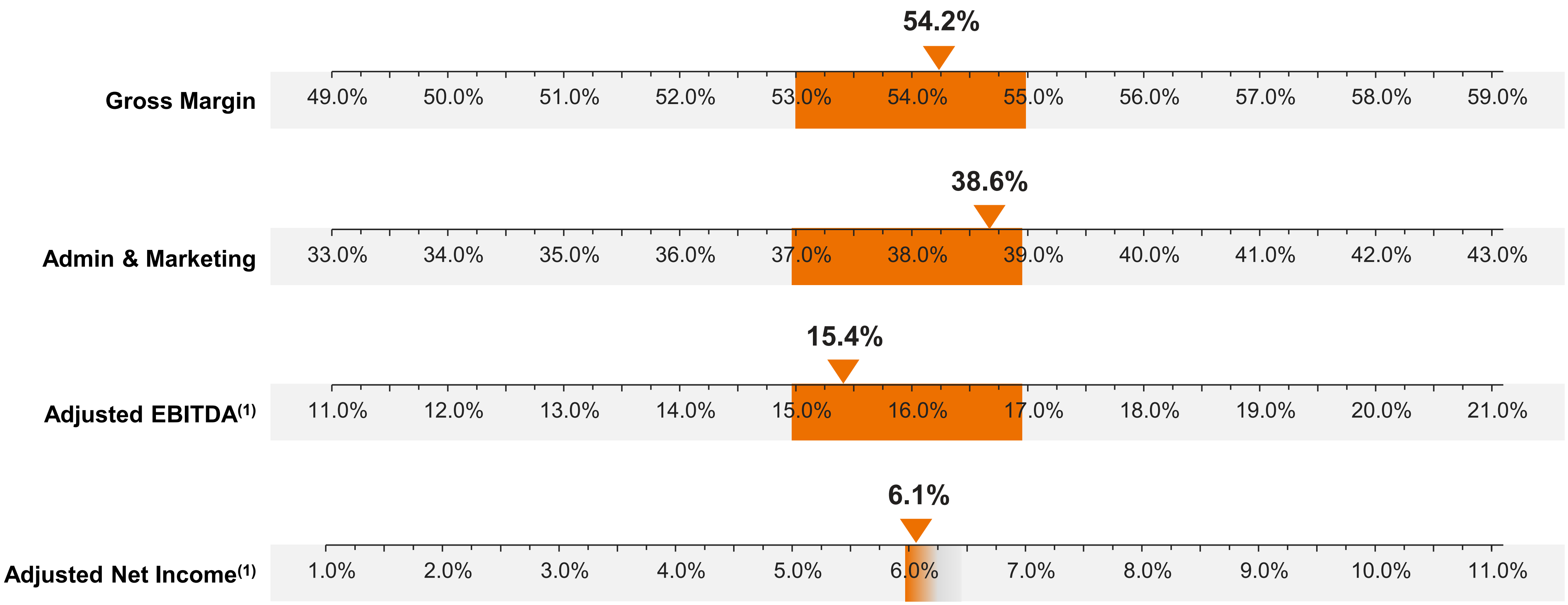
Q3 19 Results

(In millions of Canadian dollars, except per share amounts and percentages)	Q3 19 $	Q3 19 % of Net Revenue	Q3 18 $	Q3 18 % of Net Revenue	YTD Q3 19 $	YTD Q3 19 % of Net Revenue	YTD Q3 18 $	YTD Q3 18 % of Net Revenue
Gross revenue	**1,241.5**	**130.3**	1,086.6	128.2	**3,617.1**	**128.7**	3,199.9	127.0
Net revenue	**952.6**	**100.0**	847.5	100.0	**2,810.3**	**100.0**	2,519.6	100.0
Gross margin	**516.1**	**54.2**	455.3	53.7	**1,522.1**	**54.2**	1,365.8	54.2
Administrative and marketing expenses	355.6	37.3	346.2	40.8	1,085.1	38.6	1,055.5	41.9
EBITDA from continuing operations[1]	**157.9**	**16.6**	108.8	12.8	**436.0**	**15.5**	308.9	12.3
Net income from continuing operations	**57.8**	**6.1**	55.9	6.6	**152.0**	**5.4**	150.1	6.0
Basic and diluted earnings per share (EPS) from continuing operations	**0.52**		**0.49**		**1.36**		**1.32**	
Adjusted EBITDA from continuing operations[1]	**159.1**	**16.7**	108.3	12.8	**431.6**	**15.4**	308.3	12.2
Adjusted net income from continuing operations[1]	**66.3**	**7.0**	51.2	6.0	**172.7**	**6.1**	161.1	6.4
Adjusted basic and diluted EPS from continuing operations[1]	**0.59**		0.45		**1.55**		1.41	

[1] EBITDA, adjusted EBTIDA, adjusted net income, and adjusted basic and diluted EPS are non-IFRS measures (discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis).

Q3 19 YTD Results Versus Guidance*

Expressed as a percent of net revenue & revised for IFRS 16



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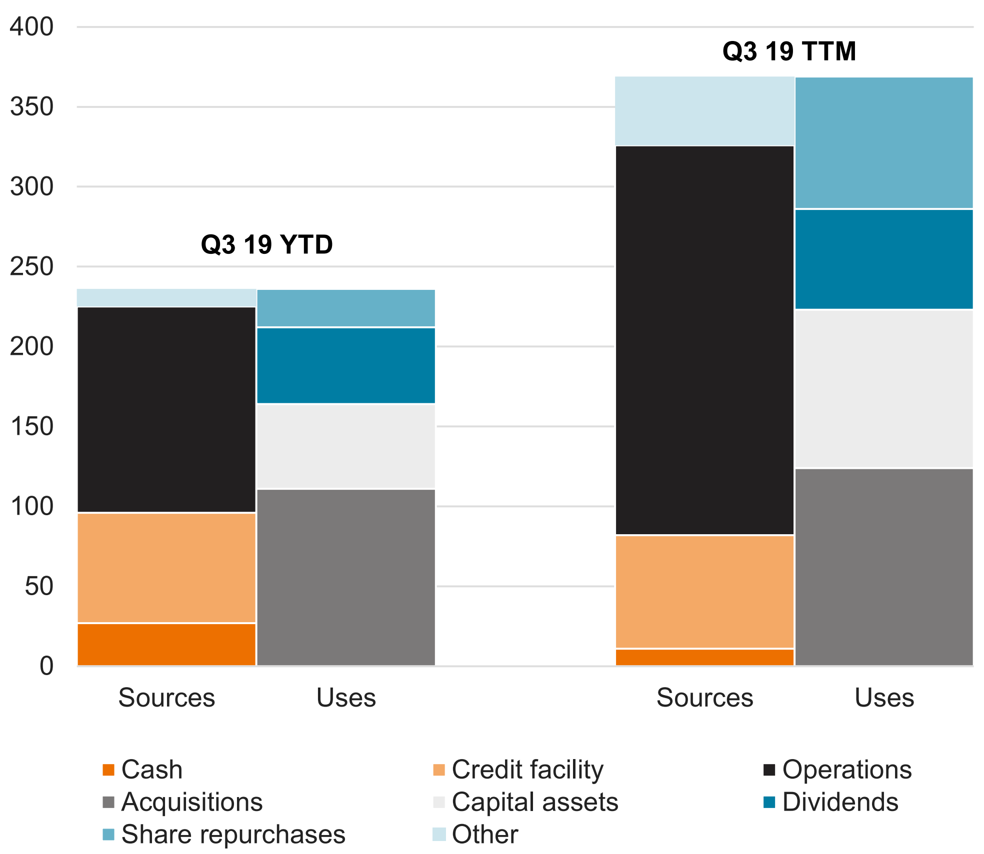
**2019 Target Range was previously published in our 2018 Annual Report. Certain targets were revised in Q1 19 for the adoption of IFRS 16 and incorporation of adjusted measures.*

Liquidity and Capital Resources

Cash Flow from Continuing Operations *(millions of Canadian dollars)*	**Q3 19**	**Q3 19**	**Q3 18**	**YTD Q3 19**	**YTD Q3 19**	**YTD Q3 18**
Inflow (Outflow)	*as reported*	*excluding IFRS 16*		*as reported*	*excluding IFRS 16*	
Operating	139.0	108.2	64.4	212.8	129.4	89.7
Investing	(29.9)	4.4	(87.6)	(165.5)	(123.6)	(192.3)
Financing	(54.7)	(58.2)	7.4	(56.7)	(15.2)	105.6
Net effect	54.4	54.4	(15.8)	(9.4)	(9.4)	3.0

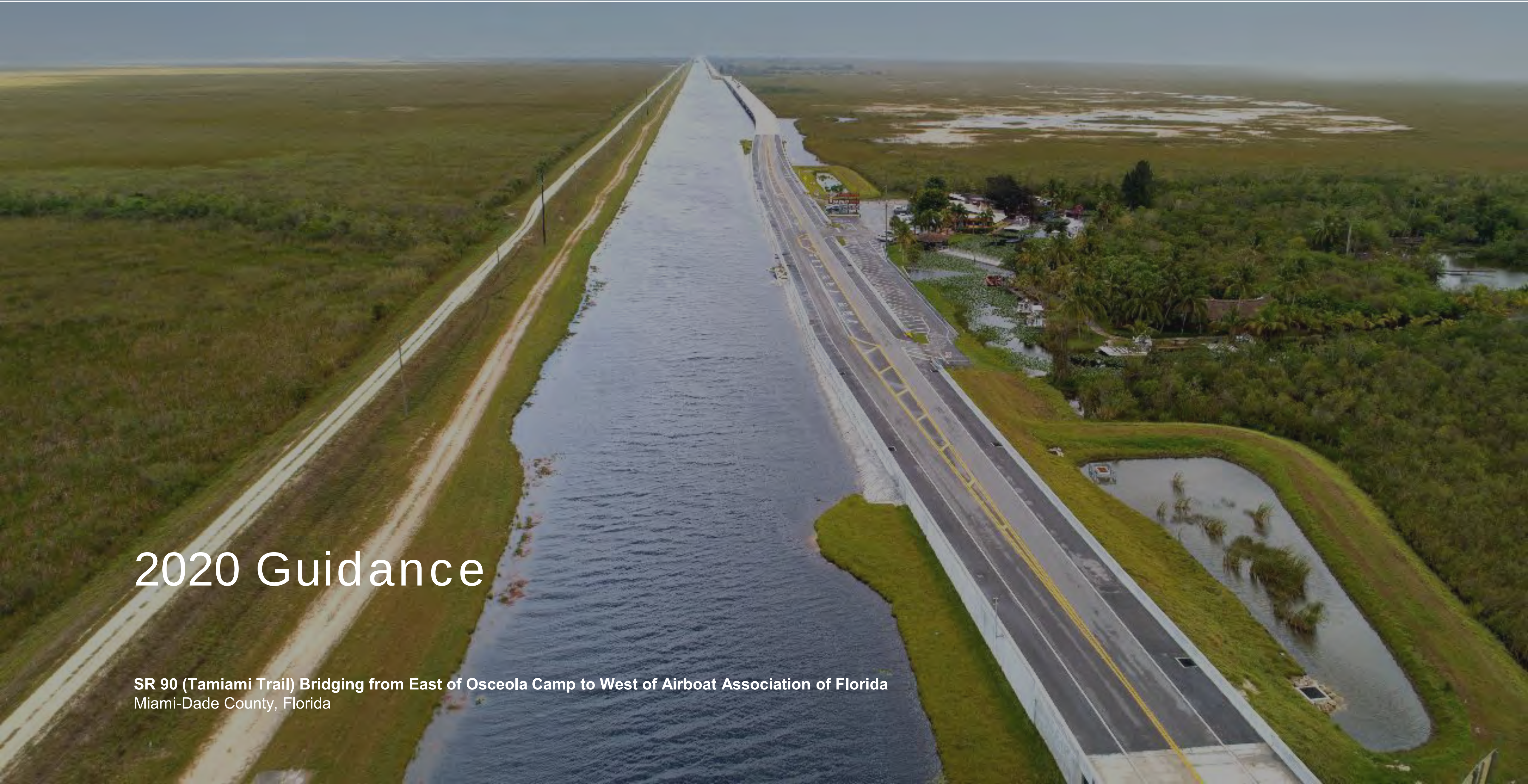
Sources and Uses of Cash



Leverage

Net Debt to Adjusted EBITDA (TTM)	*As reported*	*excluding IFRS 16*
Internal guideline	1.0x to 2.0x	1.5x to 2.5x
Q3 19	1.6x [(1)]	2.1x

(1) Net debt/adjusted EBITDA is a non-IFRS measure discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis and was calculated using a proforma IFRS 16 adjustment for Q4 18 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.



2020 Guidance

SR 90 (Tamiami Trail) Bridging from East of Osceola Camp to West of Airboat Association of Florida
Miami-Dade County, Florida

2020 Guidance

Targets	**2020**
(In millions of Canadian dollars, unless otherwise stated)	
Adjusted EBITDA as % of net revenue *(note 1)*	15.5% to 16.5%
Adjusted net income as % of net revenue *(note 1)*	At or above 6.0%
Return on Invested Capital *(note 2)*	At or above 9.0%
Guidance	
Gross Margin as a % of net revenue	53% to 55%
Administrative and Marketing expenses as a % of net revenue	37% to 39%
Net Debt to Adjusted EBITDA	1.0x to 2.0x
Capital expenditures	\$75 to \$80
Software additions	\$3 to \$7
Depreciation on property and equipment	\$60 to \$65
Depreciation on lease assets	\$113 to \$118
Amortization of intangible assets related to acquisitions	\$34 to \$39
All other Amortization of intangible assets	\$14 to \$18
Effective tax rate (without discrete transactions)	28%
Earnings pattern	40% in Q1 and Q4 60% in Q2 and Q3
Days sales outstanding (DSO) *(notes 1, 3)*	90 days

Note 1: EBITDA, adjusted EBITDA, and adjusted net income are non-IFRS measures and DSO is a metric (discussed in the Definitions section of our MD&A found in Stantec's 2019 Third Quarter Report and in 2018 Annual report).
Note 2: ROIC is a non-IFRS metric we use to evaluate our returns generated on our debt and equity capital. It represents our net income before tax adjusted interest relative to our average aggregate debt and shareholders' equity. Our method of calculating ROIC may differ from methods presented by other companies.
Note 3: DSO of 90 days incudes deferred revenue. Excluding deferred revenue, DSO would be 103 days.