



STN
TSX NYSE

GROWTH • EXCELLENCE • INNOVATION • PEOPLE
2021

Q4 2021 Earnings Presentation



February 24, 2022



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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 2021 Annual Report available on SEDAR, EDGAR, and stantec.com.



2021 Record earnings



Record EPS
Adj Diluted⁽¹⁾ | Diluted

\$2.42 | \$1.80

▲ on stronger margins, 2023 Real Estate Strategy, and lower taxes

Net Revenue

\$3.6B

▲ 2.6% on a constant currency⁽¹⁾ basis

Record Adjusted
EBITDA Margin⁽¹⁾

15.8%

▲ 10 bps despite 83 bps headwind from revaluation of share-based compensation

Record Backlog

\$5.1B

▲ 17.3%, reflecting 6.7% organic growth⁽¹⁾ and 11.9% acquisition growth⁽¹⁾

⁽¹⁾ Adjusted EBITDA margin, adjusted diluted EPS, constant currency, organic growth, and acquisition growth are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's 2021 Annual Report).



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Strategic acquisitions will drive synergistic revenue growth

EXCELLENCE INNOVATION PEOPLE GROWTH

3 acquisitions in the United States support sustainability, climate and environmental solutions.

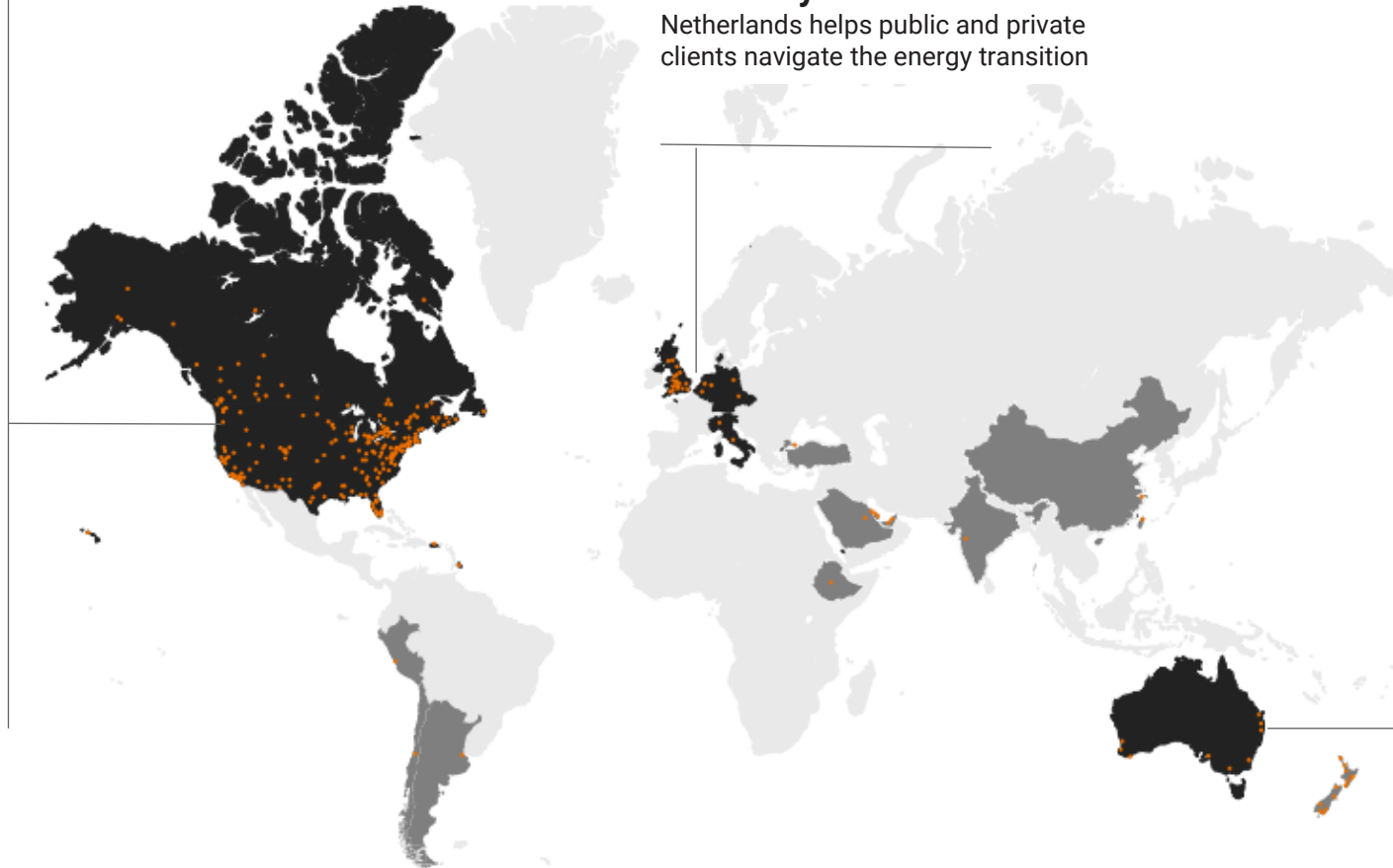
Paleo's archeological expertise is in demand by the energy industry.

Cardno increases our presence in Environmental Services 60%.

Cox|McLain provides us with environmental compliance and planning in Texas.

Continued growth in Northern Europe

Driven by Values in the Netherlands helps public and private clients navigate the energy transition



3 acquisitions in Australia enhance our exposure to this strong economy.

GTA expands our presence in transportation advisory, planning, analytics, engineering, and technical design.

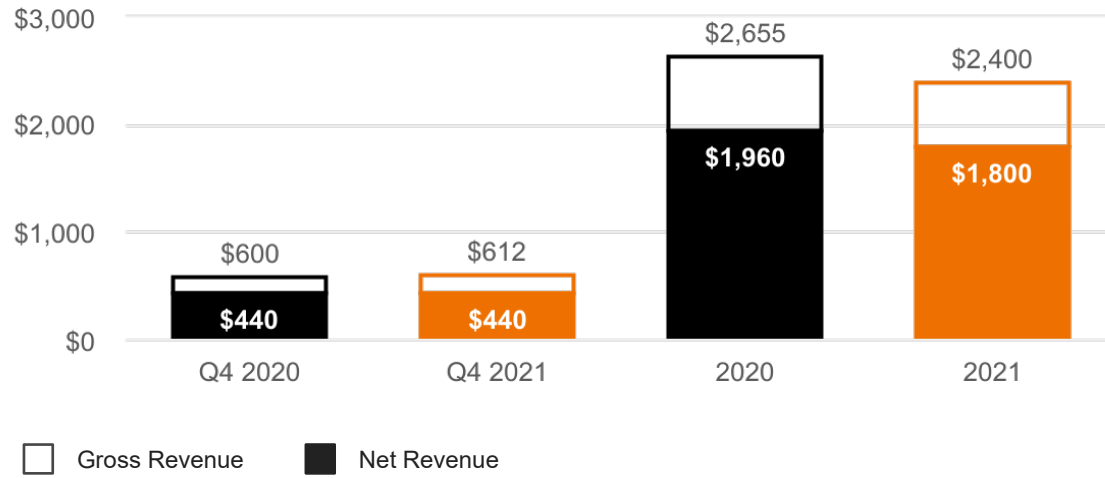
Engenium enhances our exposure to Australia's most influential mining, resources, renewable energy and industrial infrastructure clients.

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.



United States

Gross and net revenue (\$ millions)



**\$3.0
Billion**

BACKLOG

Q4 PROJECT WINS

**US\$100 million Denver
Airport International Hall
Colorado**

**Domestic Vaccine
Production
California**

**4.5-year US\$119 million
Honolulu Authority for
Rapid Transportation
Hawaii**



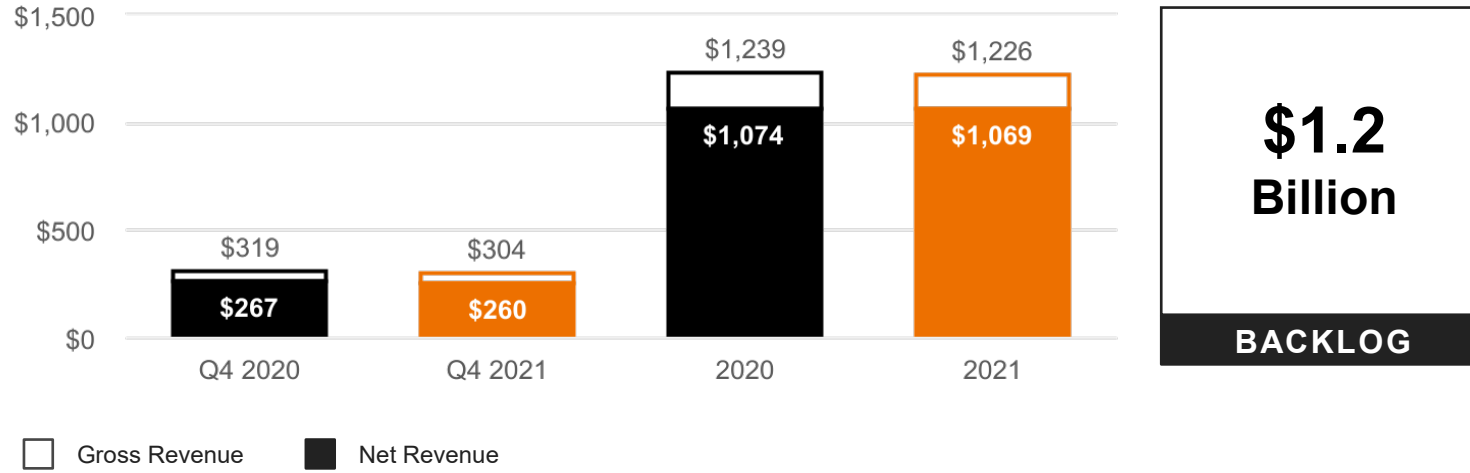
L Street Station Redevelopment – 2 million sq ft Adaptive Re-Use
Boston, Massachusetts



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Canada

Gross and net revenue (\$ millions)



Q4 PROJECT WINS

**Cortellucci Vaughan
Hospital Fit Out**
Vaughan, ON

**Owner's engineer for
Stage 1, Calgary
Greenline LRT**
Calgary, AB

**Post-secondary
educational facility for
clean energy**
Vancouver, BC



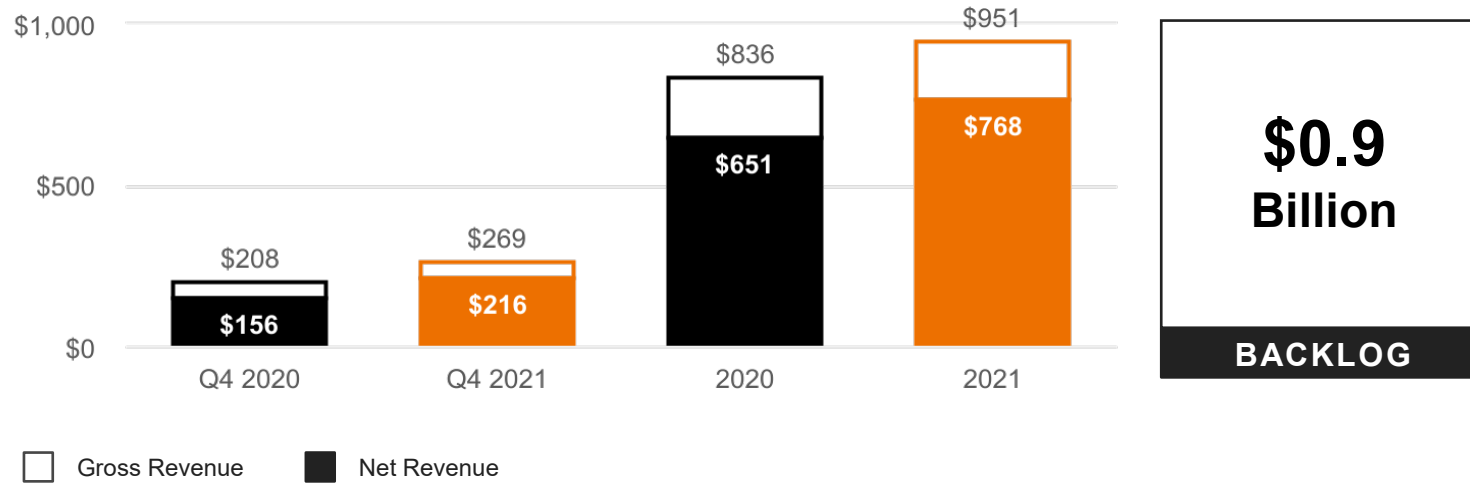
Students' Association of MacEwan University Building
Edmonton, Alberta, Canada



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Global

Gross and net revenue (\$ millions)



Q4 PROJECT WINS

**A-19 Two Tees Crossing
Essential Transport
Improvement Project**
Tees Valley, United
Kingdom

**Transport Planning
Services**
Firth of Forth, Scotland

**Quebrada Blanca
Environmental Impact
Study**
Tarapacá Region, Chile



Katiki Beach Coastal Erosion Monitoring and Protection Works
Otago, New Zealand

Q4 2021



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Q4 2021



Q4 2021 Financial Performance

CPS Energy Headquarters
San Antonio, Texas, US

Theresa Jang - Executive Vice President and Chief Financial Officer



Impact of stronger Canadian Dollar on US earnings

	2021 vs 2020
US\$1 to Cdn	\$1.34 vs \$1.25
Reduction in	
Net Revenue	\$130.7M
Adjusted EBITDA ⁽¹⁾	\$16.6M
Adjusted net income ⁽¹⁾	\$6.5M
Adjusted diluted EPS ⁽¹⁾	\$0.06

⁽¹⁾ Adjusted EBITDA, adjusted net income and adjusted diluted EPS are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's 2021 Annual Report).



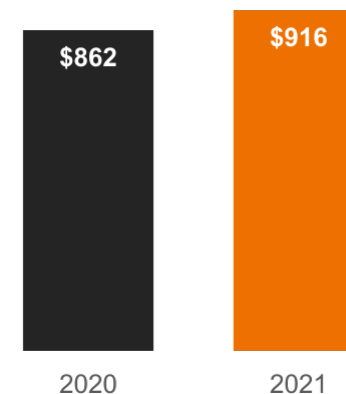
Q4 2021 results

	Q4 2021	Q4 2020	Change
<i>(In millions of Canadian dollars, except per share amounts and percentages)</i>	\$	\$	% Year-over-year change
Net revenue	916.2	861.7	6.3
Project margin⁽¹⁾	506.6	455.0	11.3
Administrative and marketing expenses	387.6	317.5	22.1
Net income from continuing operations	16.6	14.9	11.4
Diluted earnings per share (EPS) from continuing operations	0.15	0.13	15.4
Adjusted EBITDA from continuing operations⁽²⁾	142.1	138.5	2.6
Adjusted net income from continuing operations⁽²⁾	63.8	67.0	(4.8)
Adjusted diluted EPS from continuing operations⁽²⁾	0.57	0.60	(5.0)

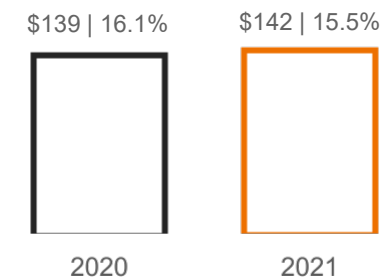
⁽¹⁾ Project margin was previously labeled as gross margin. The composition of project margin remains unchanged from our approach previously applied to gross margin.

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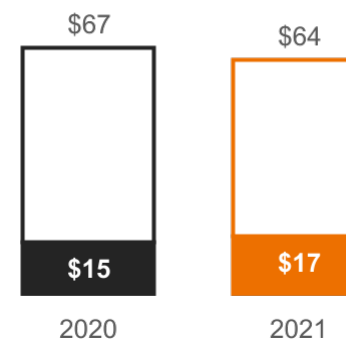
Net Revenue (\$ millions)



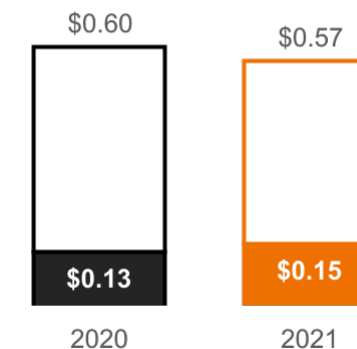
Adj EBITDA and margin (\$ millions, % of net revenue)



Net Income (\$ millions)



Diluted EPS (\$/share)



■ IFRS

□ Adjusted - Non-IFRS



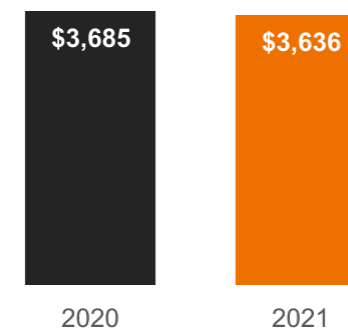
Full year 2021 results

	2021	2020	Change
<i>(In millions of Canadian dollars, except per share amounts and percentages)</i>			
	\$	\$	% Year-over-year change
Net revenue	3,636.1	3,684.5	(1.3)
Project margin⁽¹⁾	1,963.3	1,930.5	1.7
Administrative and marketing expenses	1,423.6	1,352.9	5.2
Net income from continuing operations	200.7	159.1	26.1
Diluted earnings per share (EPS) from continuing operations	1.80	1.42	26.8
Adjusted EBITDA from continuing operations⁽²⁾	573.8	578.9	(0.9)
Adjusted net income from continuing operations⁽²⁾	269.9	248.9	8.4
Adjusted diluted EPS from continuing operations⁽²⁾	2.42	2.22	9.0

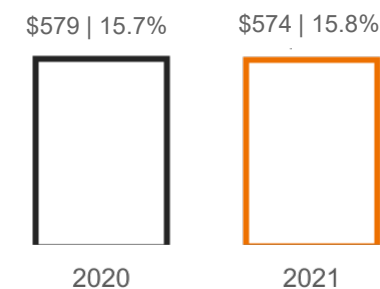
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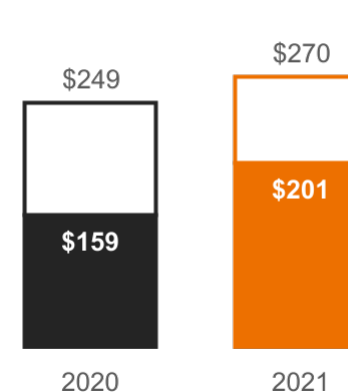
Net Revenue (\$ millions)



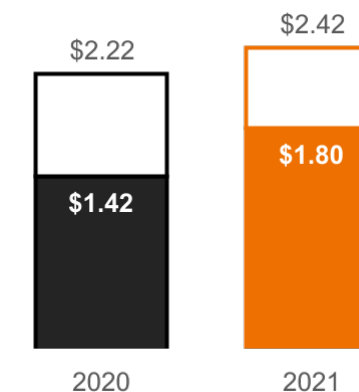
Adj EBITDA and margin (\$ millions, % of net revenue)



Net Income (\$ millions)



Diluted EPS (\$/share)



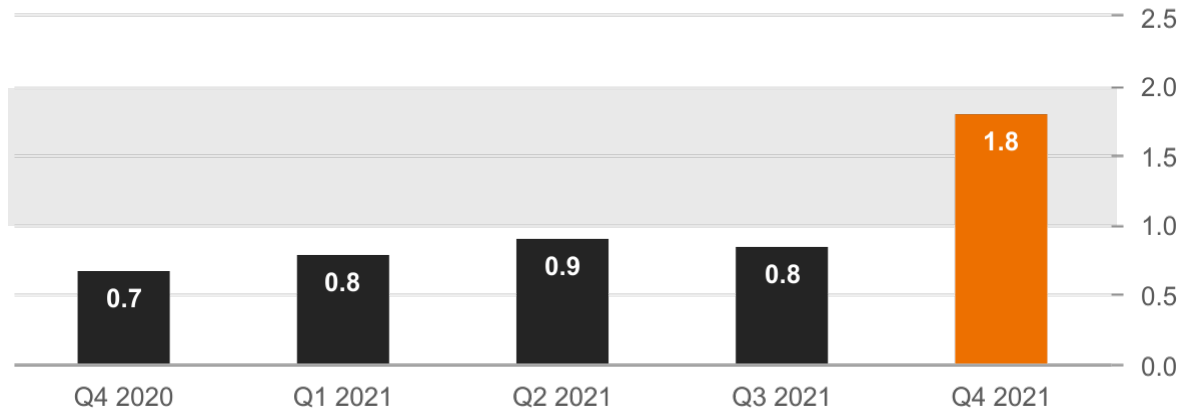
■ IFRS

□ Adjusted - Non-IFRS



Balance sheet strength

Net debt to adjusted EBITDA



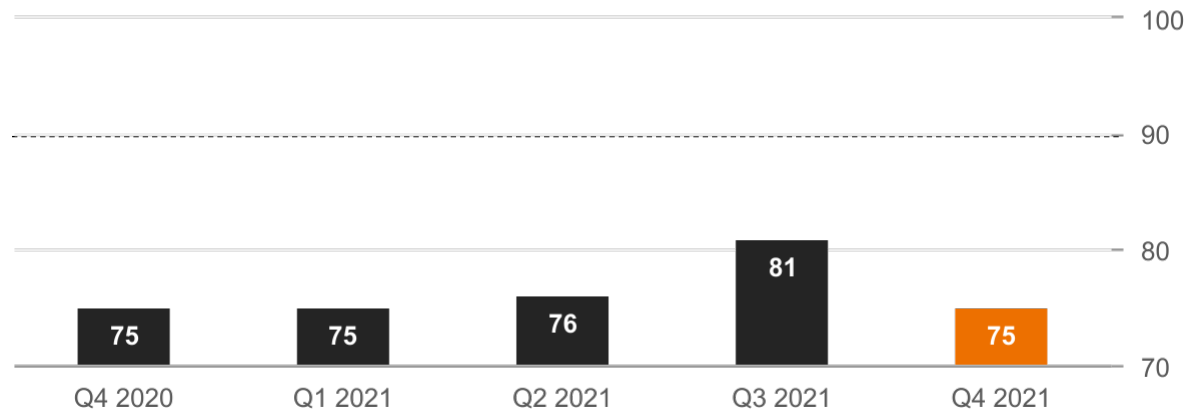
Net debt to adjusted EBITDA⁽¹⁾

1.8x at Dec 31, 2021

Expected range

1.0 - 2.0x

Days sales outstanding



Days sales outstanding⁽¹⁾

75 days at Dec 31, 2021

Expected

<80 days

⁽¹⁾ Net debt to adjusted EBITDA and days sales outstanding are non-IFRS and other financial measures (discussed in the Definitions section of Stantec's 2021 Annual Report).

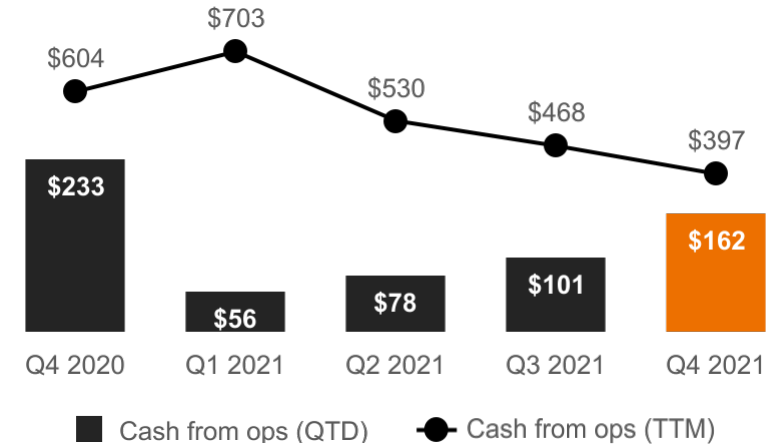
Liquidity and capital allocation

- **\$703** million deployed to acquisitions in 2021
- **\$123** million returned to shareholders in 2021
- **9.1%** increase in annualized dividend for 2022

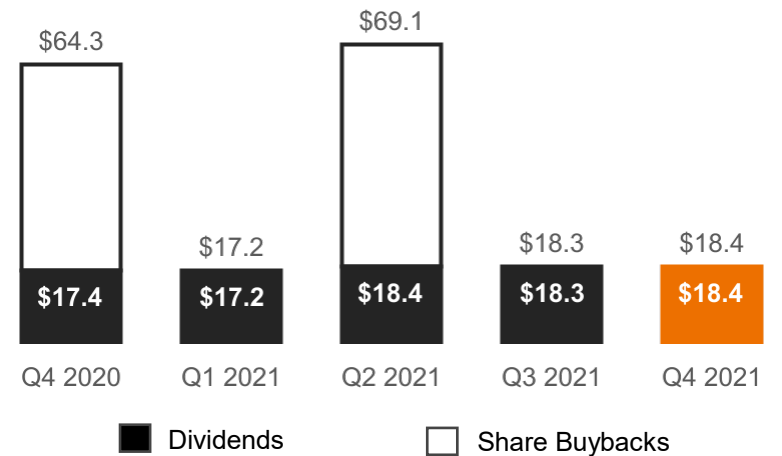
Cash flow from continuing operations *(millions of Canadian dollars)*

	2021	2020
Inflow (Outflow)		
Operating	397.0	602.6
Investing	(764.8)	(102.0)
Financing	276.5	(412.6)
Net	(91.3)	88.0

Quarterly and TTM Operating Cash Flow (\$ millions)



Capital returned to shareholders (\$ millions)





Key trends entering 2022



INFRASTRUCTURE STIMULUS SPENDING

United States – US\$1.2 trillion

- Social mandates perfect fit for Stantec’s multi-faceted role in communities

Canada – \$50 billion

- Infrastructure, science & technology, and green economy investments

United Kingdom – £257 billion

- Transport, energy, utilities

Australia – AU\$178 billion

- Transport, energy, water



Key trends entering 2022

INFRASTRUCTURE STIMULUS SPENDING



US - US\$1.2 trillion
UK - £257 billion
AU - AU\$178 billion



SUPPLY CHAIN SECURITY

Semiconductors

- >\$80 billion investment in manufacturing announced in US

Vaccines

- Domestic production in California

Pharmaceutical-grade radioactive isotopes

- Domestic production in Canada



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Key trends entering 2022

INFRASTRUCTURE STIMULUS SPENDING



US - US\$1.2 trillion
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SUPPLY CHAIN SECURITY



- Semiconductors
- Vaccines
- Pharmaceutical grade radioactive isotopes



SUSTAINABILITY

Extreme weather

- Hurricane Ida
- BC floods

Climate solutions

Energy transition

Water scarcity



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Key trends entering 2022

KEY TRENDS ENTERING 2022

INFRASTRUCTURE STIMULUS SPENDING



US - US\$1.2 trillion
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SUPPLY CHAIN SECURITY



- Semiconductors
- Vaccines
- Pharmaceutical grade radioactive isotopes

SUSTAINABILITY



- Extreme weather
- Climate solutions
- Energy transition
- Water scarcity

PEOPLE



- Strong engagement
- Strategic hires empowering large framework wins

Stantec is ideally positioned to capitalize on these emerging trends



2022 Outlook

Strong trends back robust multi-year growth outlook

Targets	2022 Annual Range
Net revenue growth	18% to 22%
Adjusted EBITDA as % of net revenue ⁽¹⁾	15.3% to 16.3%
Adjusted net income as % of net revenue ⁽¹⁾	At or above 7.5%
Adjusted ROIC ⁽¹⁾	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 2021 Annual Report).

Geography



United States

2022 Regional Outlook

- High single digit organic growth
- Record backlog
- US stimulus spending in H2 2022



Canada

- Low single-digit organic growth
- Reflecting high levels of activity carrying over from 2021



Global

- High-single to low double digit organic growth
- Strong economic recovery
- Stimulus funds

2022 Adjusted diluted EPS⁽¹⁾ expected to grow by
22% to 26%



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Q&A

Gregory County Pumped Storage
Iowa, United States