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TSX: NYSE

# Investor Presentation

April 2024



Stantec





## 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 2023 Annual Report available on SEDAR+, EDGAR, and [stantec.com](http://stantec.com).



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# Global leader in sustainable engineering, design, and environmental services

A GLOBAL LEADER IN SUSTAINABILITY

**Stantec**

**TSX / NYSE STN**

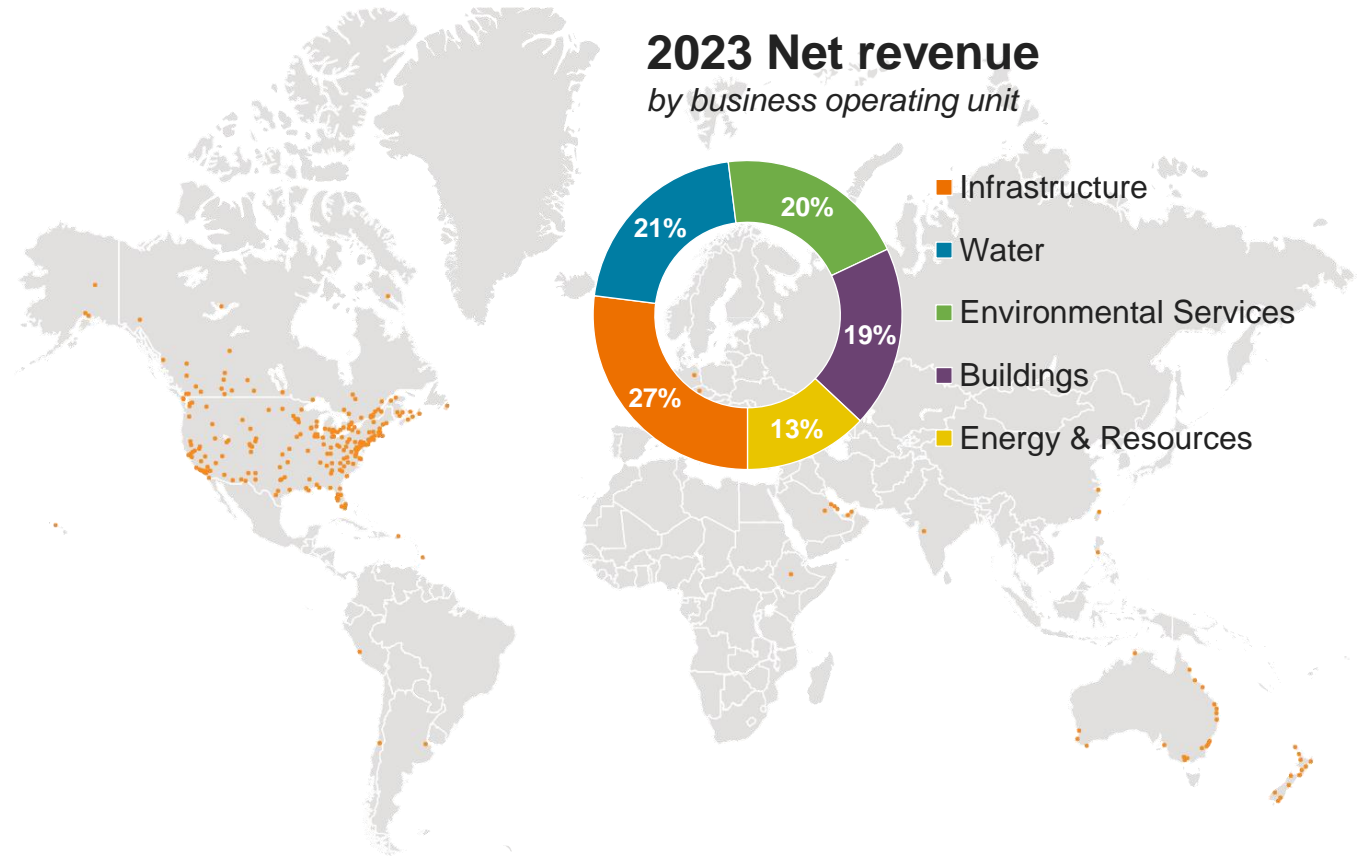
**Net Revenue<sup>1</sup> \$5.1B**

**Market Cap<sup>2</sup> C\$12.8B**

**EV<sup>2</sup> C\$13.6B**

**Employees<sup>3</sup> 30,000**

**Locations 400+ locations**



1. As of December 31, 2023  
 2. As of April 5, 2024  
 3. As of February 28, 2024



# Stantec's value proposition

- **Diverse business lines and customers**
- **Well-positioned for organic growth**
- **Global leader in sustainability**
- **Strong culture & technical expertise**
- **Disciplined capital allocation strategy**



#1

Ranked most sustainable  
corporation among industry peers  
*2024 Corporate Knights Global 100*

61%

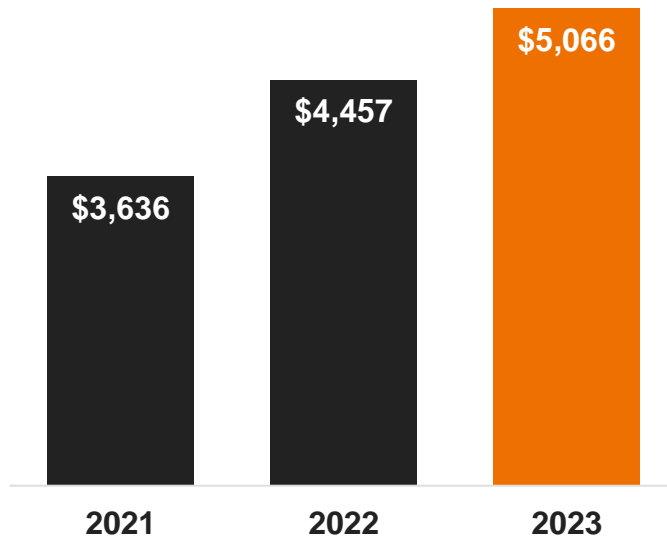
Our clean revenue is \$3.9 billion,  
representing 61% of gross revenue\*



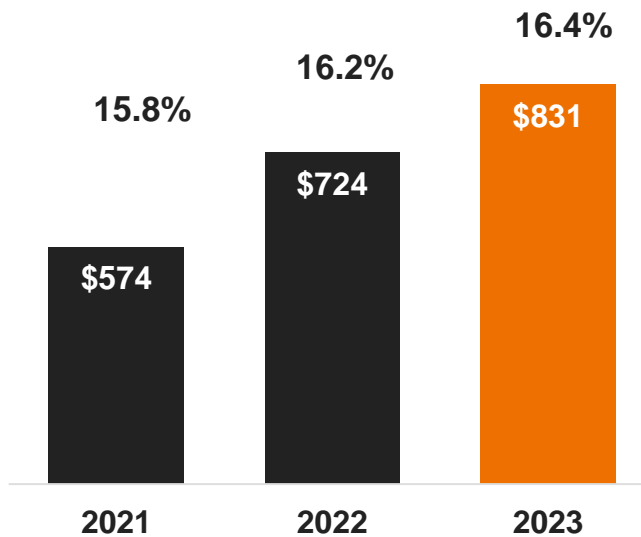
# Execution of our strategy drives strong results



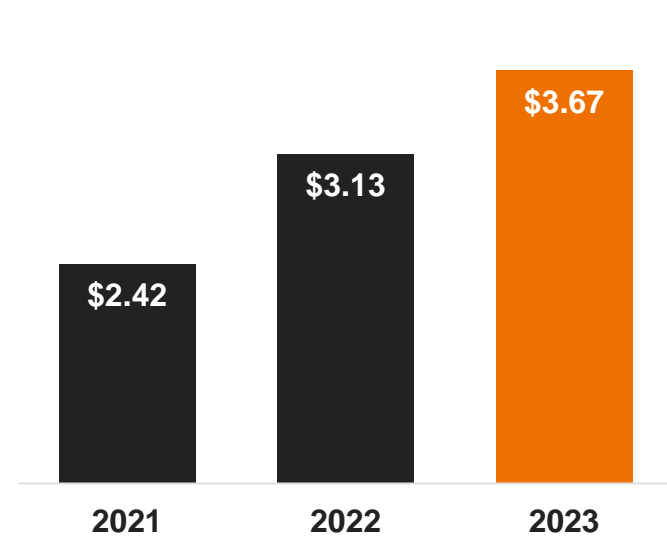
**Net Revenue**  
(\$ millions)



**Adjusted EBITDA & Margin**  
(\$ millions & %)



**Adjusted EPS**  
(\$ per share)



(1) Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted EPS are non-IFRS measures (discussed in the Definitions section of Stantec's 2023 Annual Report).





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# A global leader in sustainability

## Carbon neutral to net zero

Carbon neutral for second year and committed to the Canada Net Zero Challenge

*Committed to meet carbon neutral and net zero pledges*

**CDP (1)**  
Score

2023	2022	2021
A-	A-	A-

## Global 100 #1 among peers

Ranked the most sustainable design and engineering firm in the world; #7 Ranked most sustainable company in the world

*2024 Corporate Knights Global 100*

**ISS ESG (2)**  
Corporate Rating

**Prime B-**

## Indigenous climate action

Donated sustainability-linked loan savings to Indigenous-led non-profits addressing climate action

*\$1.1 billion credit facility connects to our ESG performance*

**Sustainalytics (3)**  
ESG Risk Rating

**Low**

Notes: (1) [CDP Website](#) – April 5, 2024 (2) [ISS Sustainability Suite](#) – April 5, 2024 (3) [Sustainalytics website](#) – April 5, 2024





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# Culture and people – Stantec’s differentiators

## One of the lowest

Voluntary turnover rates among peers of our size

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**5%**

Workforce growth through organic hires in 2023

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## 2023 Women Lead Here

*The Globe and Mail*

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## Top 50

**STEM Workplace for Indigenous Professionals**

*2020 - 2023 American Indian Science and Engineering Society*



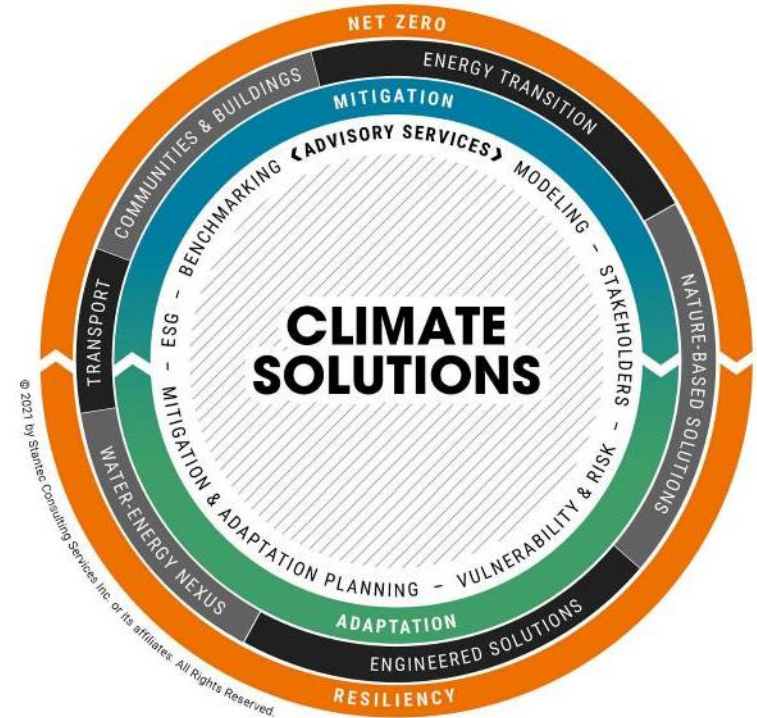
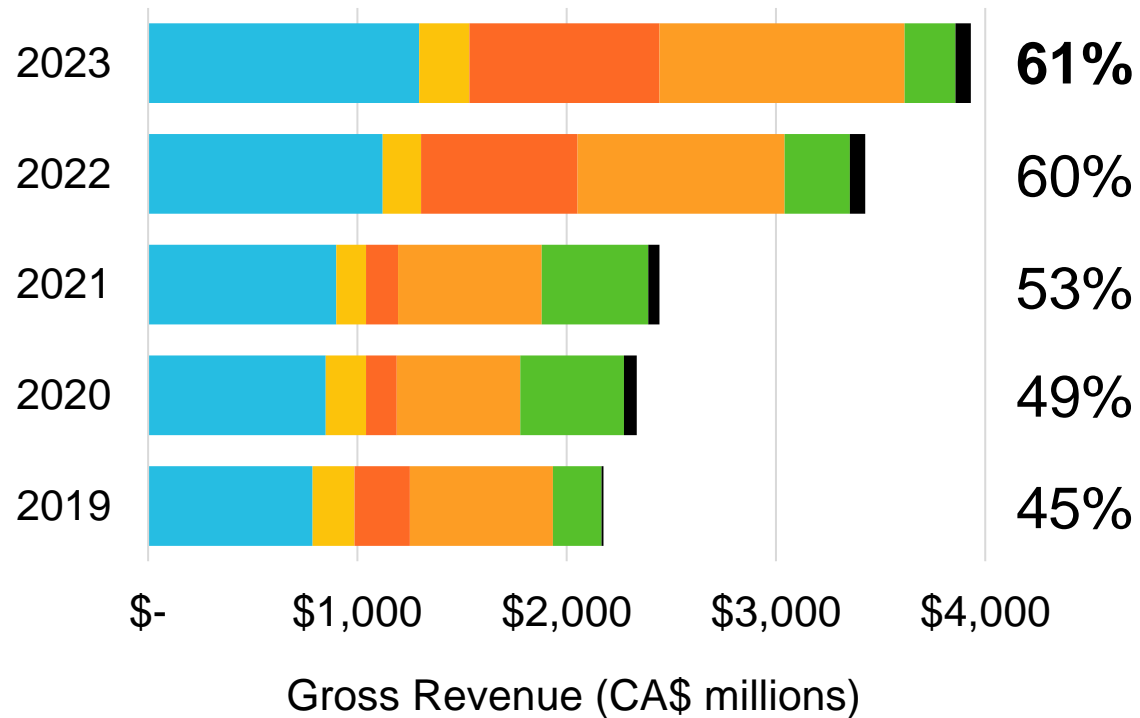


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# Sustainability: core to our strategy

Our greatest potential for positive impact comes from the projects we deliver to clients

## Gross Revenue aligned to UN Sustainable Development Goals







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# Project services related to our top five SDGs



## Integrated Water Resources Management Plan

*United Arab Emirates*



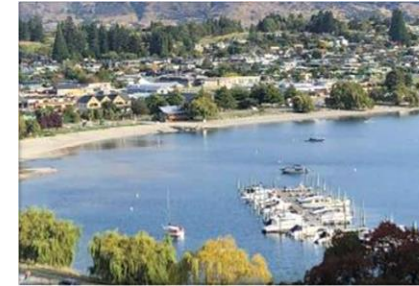
## Coire Glas Pumped Storage

*United Kingdom*



## Open Internet Development

*Africa*



## Wānaka Masterplan

*New Zealand*



## Puding Drainage Wetland Reconstruction

*Taiwan*

## SDG 6 - Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation with project work in water supply, treatment, sewers, biosolids, operational systems, and technology innovations

## SDG 7 - Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable, and modern energy with projects in hydropower, nuclear, smart grids, and biomass

## SDG 9 - Industry, Innovation & Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation through environmental permitting, industrial water management, and mining projects

## SDG 11 - Sustainable Cities and Communities

Creating safe, inclusive, resilient social, cultural and economic centres with sustainable buildings, resilient infrastructure, smart mobility systems, green spaces, and urban regeneration

## SDG 15 - Life on Land

Protect, restore and sustainable use of terrestrial ecosystems specific to fresh water and land-based ecosystems.



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# Business operating units - overview







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# Stantec, with 70 years in the Water business, is recognized as a global leader

We have delivered water solutions since 1954

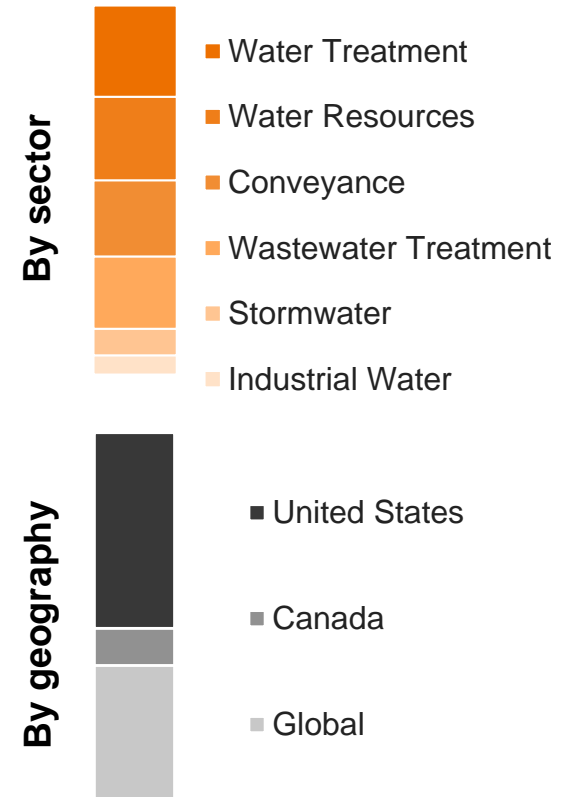
We design water projects that improve the health and quality of life across communities

We provide rapid response and recovery support for fire, flood, and hurricane events

We help communities attain sustainable access to safe, affordable, and reliable drinking water and sanitation

**\$1.1B** 2023  
Net revenue

## 2023 Net revenue







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# Environmental Services helps preserve and minimize impacts to environmental, social and cultural resources

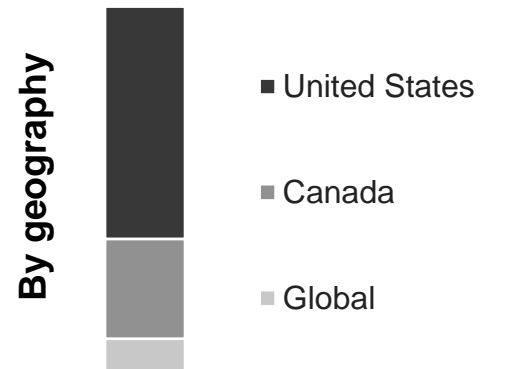
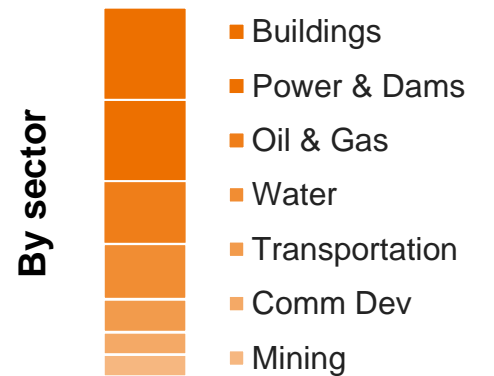
Environmental Services provides a wide array of conservation, ecosystem restoration, and sustainability services

Focuses on the relationship between the built and natural environments

Performs permitting services that enable traditional development while minimizing environmental impacts

**\$1.0B** 2023  
Net revenue

## 2023 Net revenue







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# Infrastructure is a leader in transport system design and community development

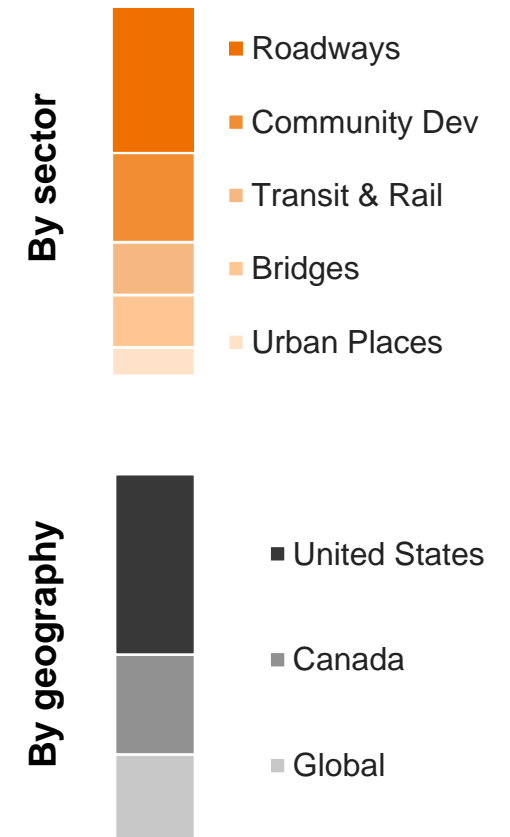
Stantec's Infrastructure group is at the forefront of integrating transport design and community development into the communities we serve

We design infrastructure to be accessible, sustainable, resilient, and people-friendly

Our team is focused on reducing the environmental and social impacts of major infrastructure builds that, historically, have been sited in lower income areas and contribute to societal inequity

**\$1.4B** 2023  
Net revenue

## 2023 Net revenue





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# Buildings ranked #1 in Architecture and Engineering for the last 10 years<sup>1</sup>

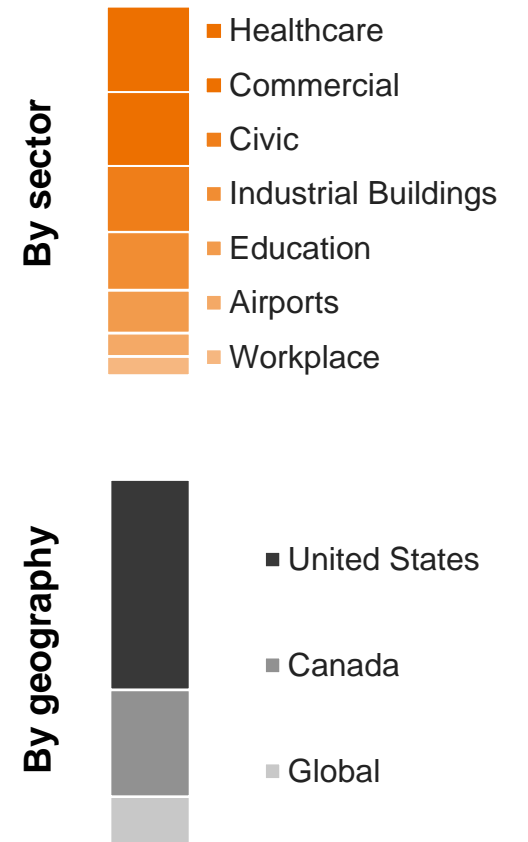
Stantec's Buildings group provides consulting and design services for built, natural, and organizational environments

We guide clients through a process that incorporates sustainable, resilient, and healthy building design

Stantec is a leader in net-zero design and adaptive re-use of built environments, both of which are essential to meet global emission reduction targets

**\$946M** 2023  
Net revenue

## 2023 Net revenue







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# Energy & Resources plays a critical role in energy transition

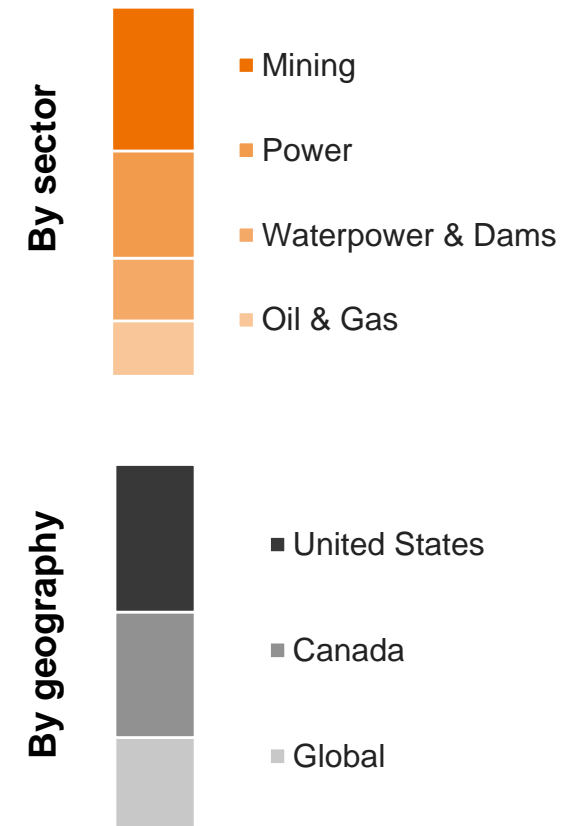
Stantec's Energy & Resources group delivers utility-scale and microgrid renewable energy generation engineering and design services

We design for increasingly severe weather events and remedy existing grid limitations

We have worked on some of the largest renewable energy installations in the world, with renewable energy backlog surpassing traditional oil & gas projects

**\$640M** 2023  
Net revenue

## 2023 Net revenue







# Three-year financial targets

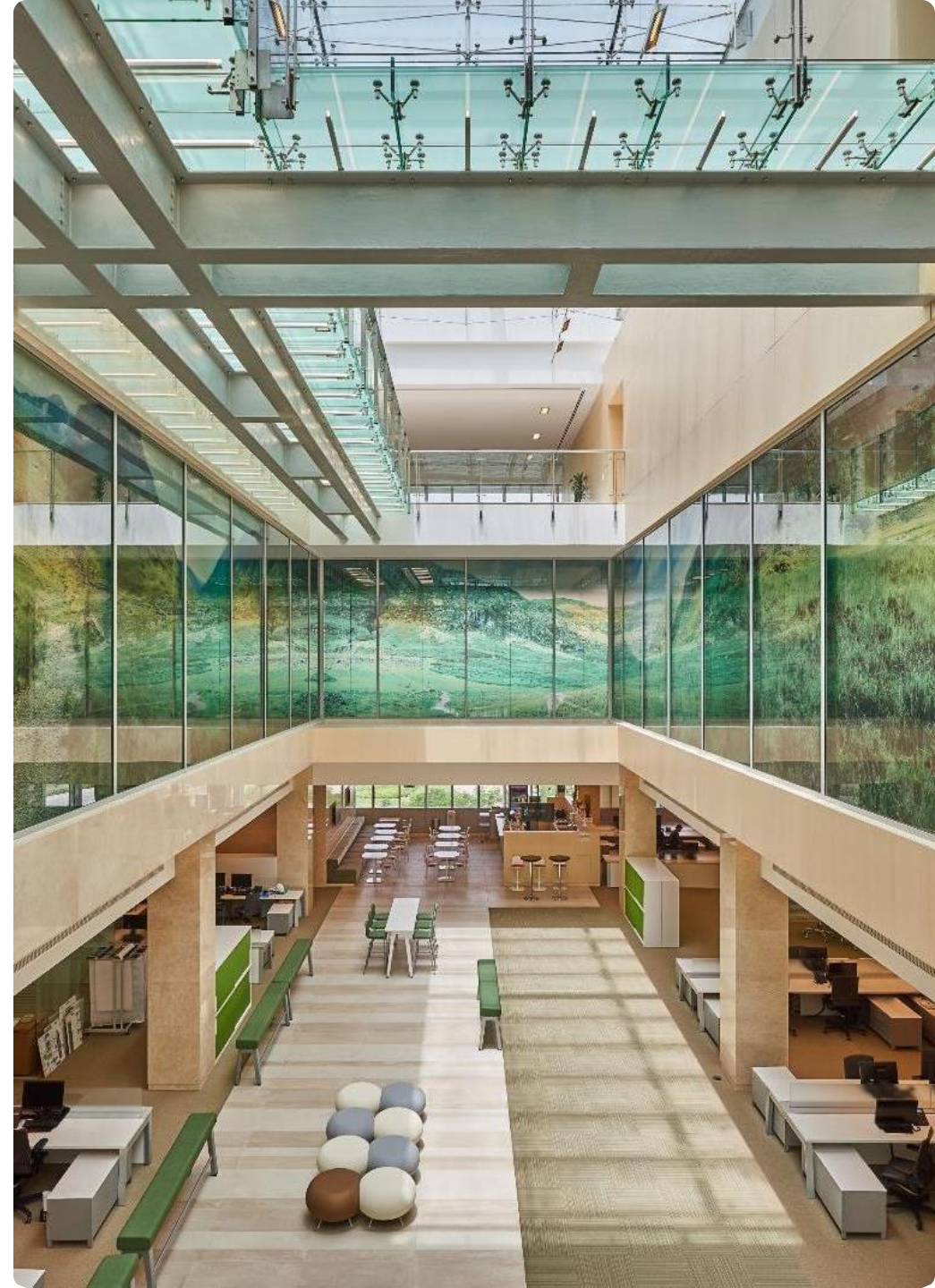
## STANTEC'S TARGETS (end of 2026)

2026 Net revenue	<b>\$7.5 billion</b>
Organic net revenue 3-Year CAGR <sup>1</sup>	<b>above 7%</b>
Project margin as % of net revenue <sup>1</sup>	<b>53% to 56%</b>
Adjusted EBITDA as % of net revenue <sup>1</sup>	<b>17% to 18%</b>
Adjusted net income as % of net revenue <sup>1</sup>	<b>above 8.5%</b>
Adjusted diluted EPS 3-Year CAGR <sup>1</sup>	<b>15% to 18%</b>
Adjusted ROIC <sup>1</sup>	<b>above 11.0%</b>
Free cash flow to net income	<b>above 1.0x</b>

Focus on execution and efficiencies will drive margin enhancement

Providing strong return economics

1. Organic net revenue, adjusted EBITDA, adjusted net income, adjusted diluted EPS, adjusted ROIC, CAGR, and free cash flow are non-IFRS and other financial measures (discussed in the Definition section of our 2023 Annual Report).







# 2024 Financial targets

## 2024 ANNUAL RANGE

Net revenue growth	<b>11% to 15%</b>
Adjusted EBITDA as % of net revenue <sup>1</sup>	<b>16.2% to 17.2%</b>
Adjusted net income as % of net revenue <sup>1</sup>	<b>above 8.0%</b>
Adjusted diluted EPS growth <sup>1</sup>	<b>12% to 16%</b>
Adjusted ROIC <sup>1</sup>	<b>above 11.0%</b>

1. Adjusted EBITDA, adjusted net income, adjusted diluted EPS, and adjusted ROIC are non-IFRS and other financial measures (discussed in the Definition section of our 2023 Annual Report).





# Why invest in Stantec?

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**Diverse business lines, geographies, and customers**

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**Significant growth opportunities**

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**Global leader in sustainability**

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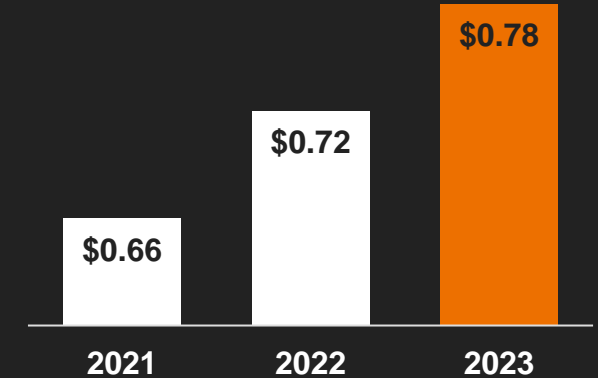
**Strong culture & technical expertise**

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**Disciplined capital allocation strategy**

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## Strong Dividend Growth



## Strong Backlog







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Q4 AND YEAR END 2023

# Q&A

**Sonia Sotomayor Middle School**  
Prince George's County, Maryland, US