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Q4 2022 Earnings Presentation

February 23, 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 2022 Annual Report available on SEDAR, EDGAR, and stantec.com.

Mueller Hut
Aoraki Mount Cook National Park, New Zealand



Record 2022 earnings

Net revenue

\$4.5B | **▲ 23%**

Adjusted EBITDA ⁽¹⁾

\$724M | **▲ 26%**

Adjusted EBITDA Margin ⁽¹⁾

16.2% | **▲ 40bps**

Adjusted Diluted EPS ⁽¹⁾

\$3.13 | **▲ 29%**

Increased earnings
driven by:

Organic Net Revenue Growth ⁽¹⁾

9.4%

Acquisition Growth ⁽¹⁾

12.3%

Project Margin

54.2%

KEY DRIVERS

Aging and overloaded
infrastructure

Production capacity
constraints and
re-shoring domestic
production

Climate change and
sustainability

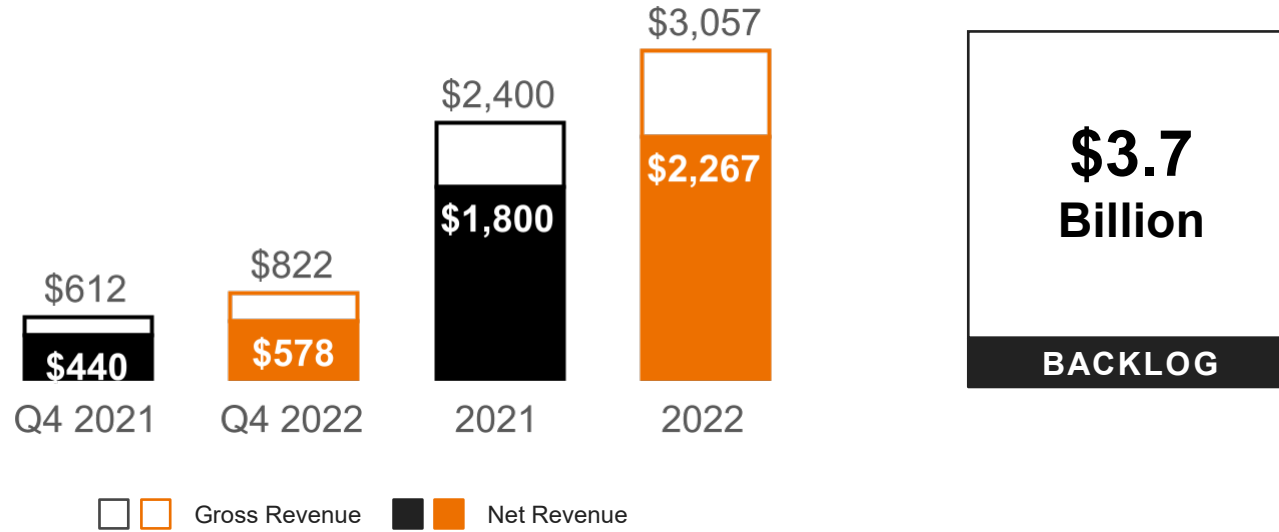
⁽¹⁾ Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted EPS are non-IFRS measures, and organic net revenue growth and acquisition growth are other financial measures (discussed in the Definitions section of Stantec's 2022 Annual Report).



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United States

Gross and net revenue (\$ millions)



- **9.5%** organic growth in 2022
- **12.7%** acquisition growth in 2022
- Water – double-digit organic growth with large scale water security projects
- Buildings – investments in healthcare, civic, industrial and science & technology sectors
- Energy & Resources – strength in renewable energy and mining projects
- Infrastructure – solid organic growth with transportation, industrial and residential land development activities



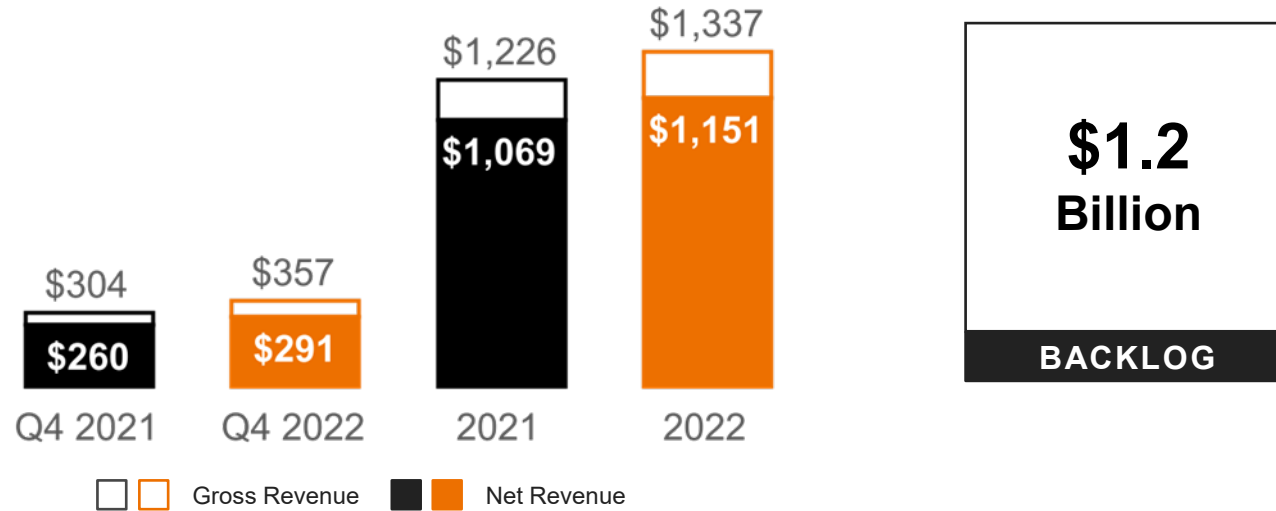
Santa Anita Dam Spillway Modification Project
Monrovia, California, USA



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Canada

Gross and net revenue (\$ millions)



- **7.7%** organic growth in 2022
- Environmental Services and Energy & Resources – double digit growth
- Buildings – continued investments in healthcare and mixed-use commercial projects
- Infrastructure – strong housing market in Western Canada, bridge work across Canada and ongoing recovery efforts from flooding in British Columbia



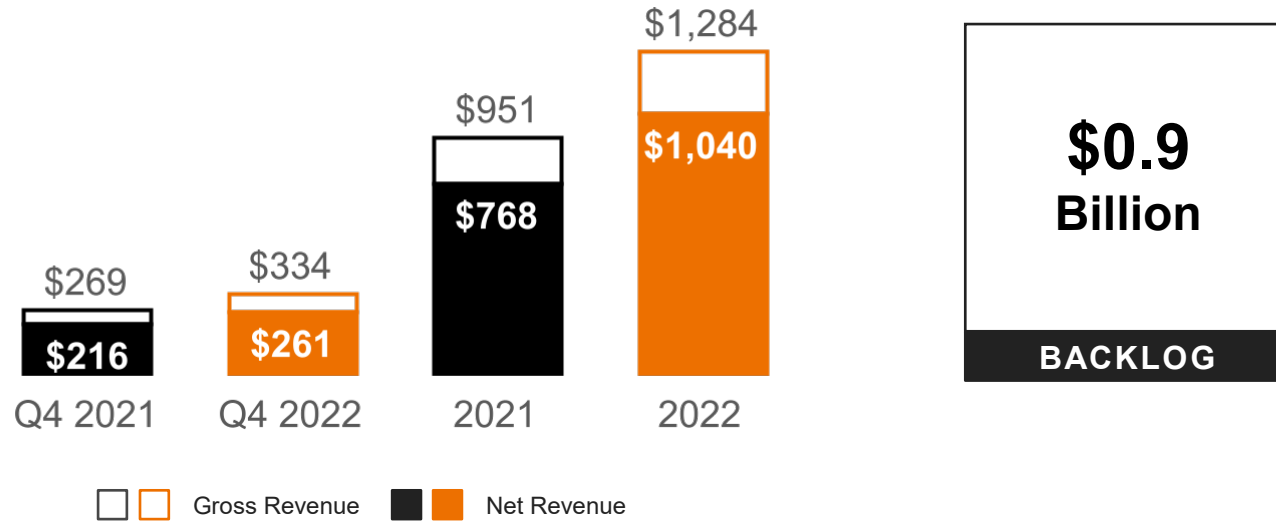
Simon Fraser Bridge Construction Management
Prince George, British Columbia, Canada



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Global

Gross and net revenue (\$ millions)



- **11.4%** organic growth in 2022, with strong performance in all business units
- **28.4%** acquisition growth in 2022
- Water – double-digit organic growth driven by UK, Australia and New Zealand
- Infrastructure – strength in community development
- Energy & Resources and Environmental Services – strong organic growth in mining and increased field work



Coal Orchard Mixed-Use Redevelopment
Taunton, United Kingdom



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Corporate Knights Global 100

#1 Ranked the most sustainable design and engineering firm in the world

#7 Ranked as one of the most sustainable companies in the world

Castle Rock Ridge Wind Farm
Pincher Creek, Alberta, Canada



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Q4 2022 Financial Performance

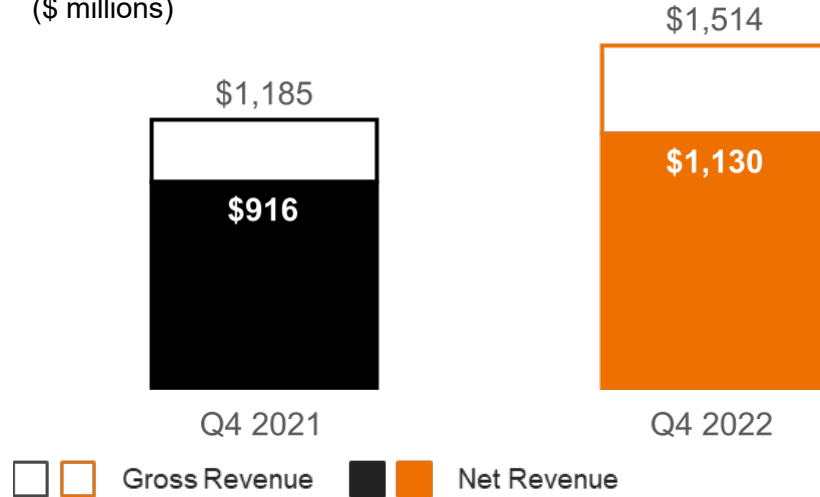
Wichelstowe Southern Access
Swindon, United Kingdom

Theresa Jang - Executive Vice President and Chief Financial Officer



Q4 2022 Financial results

Gross and net revenue (\$ millions)



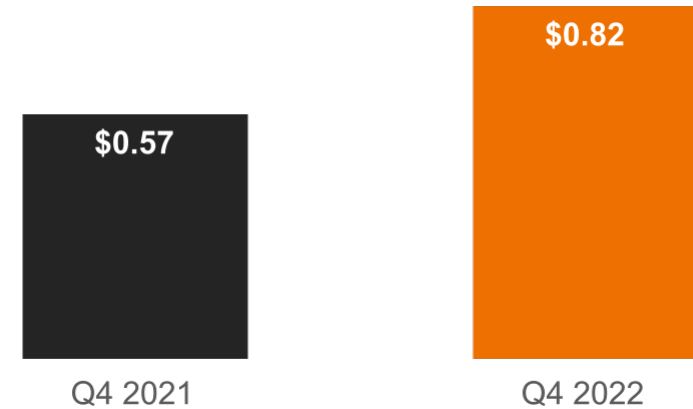
Project margin (\$ millions and % of NR)



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



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

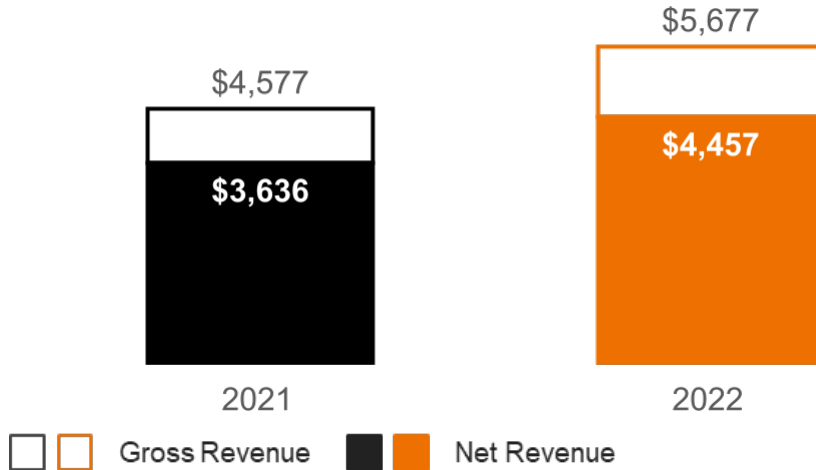


(1) Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted earnings per share are non-IFRS measures discussed in the Definitions section of the 2022 Annual Report.

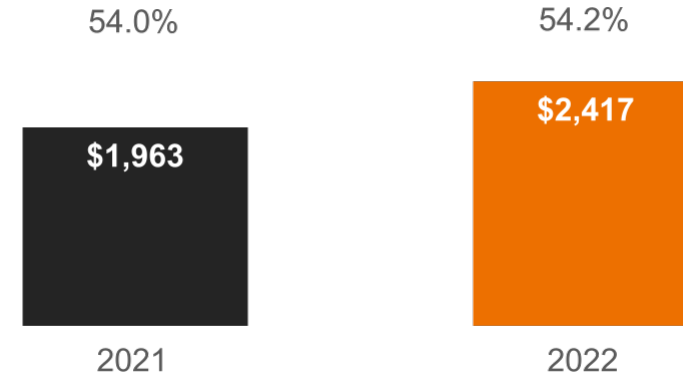


2022 Financial results

Gross and net revenue (\$ millions)



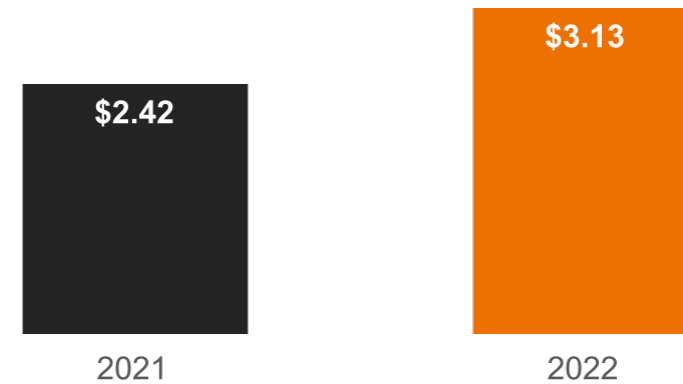
Project margin (\$ millions and % of NR)



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



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

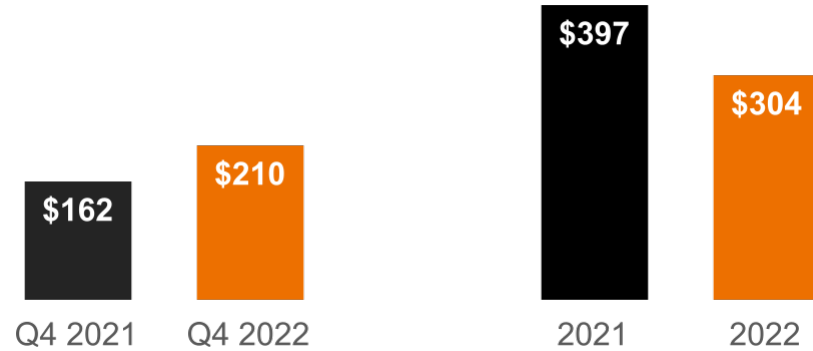


⁽¹⁾ Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted earnings per share are non-IFRS measures discussed in the Definitions section of the 2022 Annual Report.



Liquidity and capital resources

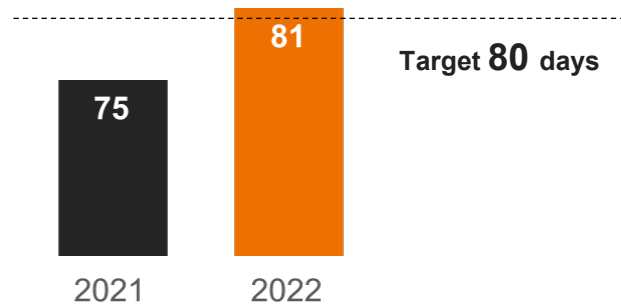
Operating cash flow (\$ millions)



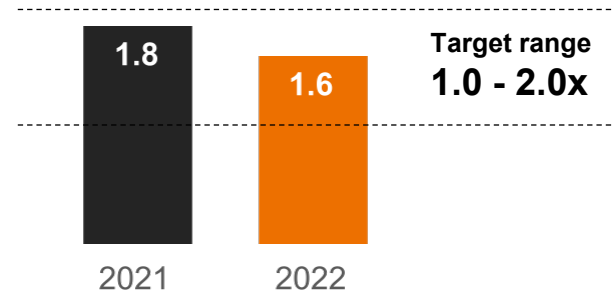
Capital returned to shareholders (\$ millions)



Days sales outstanding⁽¹⁾



Net debt to adjusted EBITDA⁽¹⁾

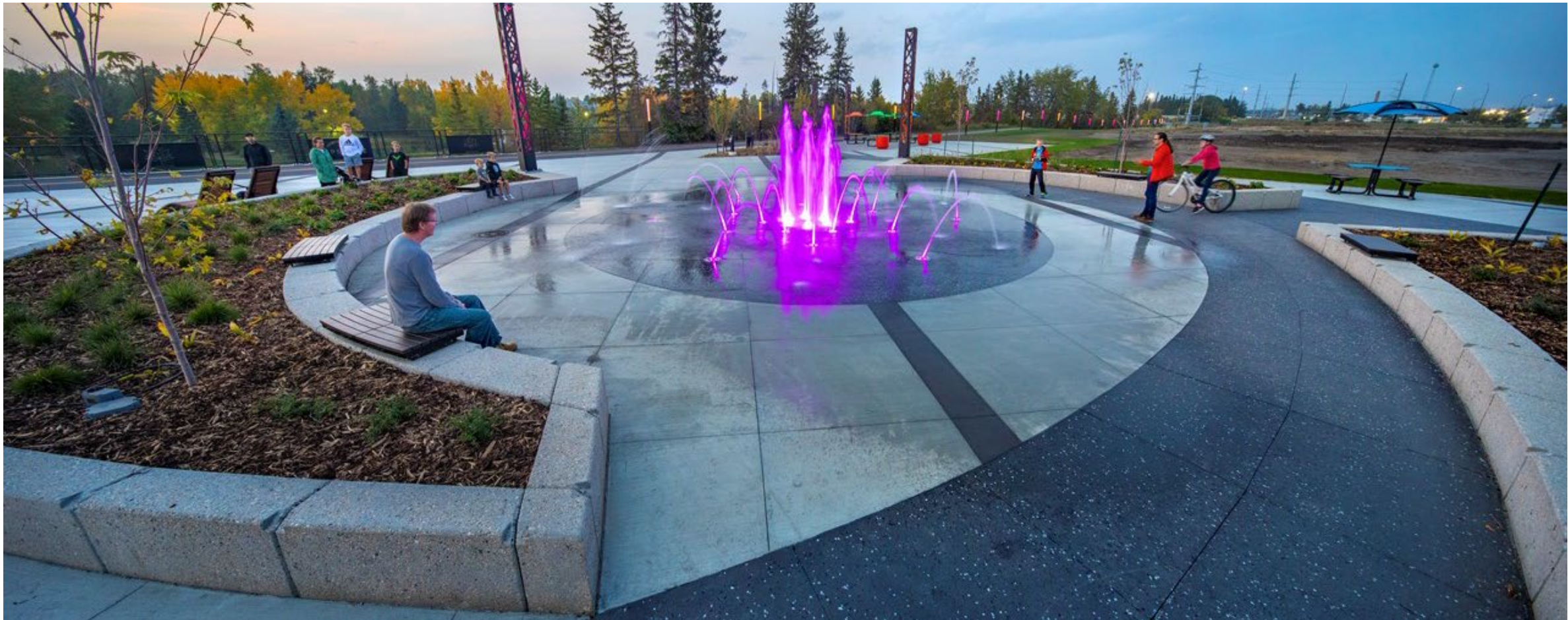


(1) Net debt to adjusted EBITDA is a non-IFRS measure and days sales outstanding is a financial metric discussed in the Definitions section of the 2022 Annual Report.



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Q4 2022 Backlog, 2023 Trends & Outlook

Capstone South Riverwalk
Red Deer, Alberta, Canada

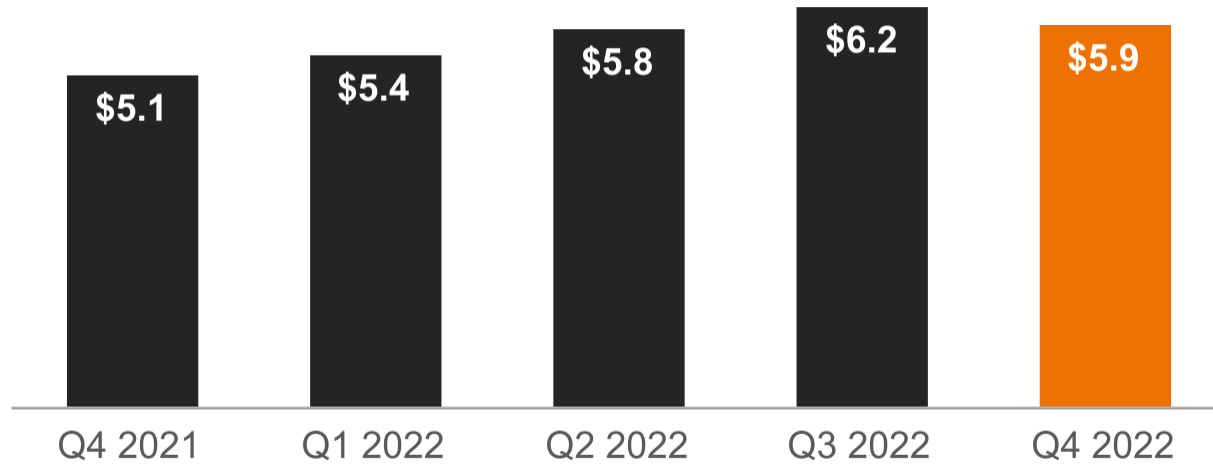
Gord Johnston - President and Chief Executive Officer



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Significant backlog

Backlog (\$ billions)



- **14.9%** growth since December 31, 2021
- **10.4%** organic growth; achieved in every regional and business operating unit
- Represents approximately **12** months of work

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Elaine E. Thompson Elementary School
Ashburn, Virginia, USA



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Qcells Solar Power Manufacturing Facility (Rendering)
Georgia, USA

Trends and growth – US

- New opportunities from IIJA, CHIPS, and IRA
 - Buildings – healthcare and adaptive re-use of buildings
 - Water – investments in resilient infrastructure; water equality
 - Accelerate renewal and energy transition projects
- Streamlining supply chain & re-shoring domestic production



Trends and growth – Canada

- Water – ramp up of major projects
- Energy & Resources – accelerating focus on energy transition
- Infrastructure – continued demand for community development and transit



Buffalo Pound Water Treatment Plant Renewal Project
Moose Jaw, Saskatchewan, Canada



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Northern Goldfields Solar Project
Leinster, Australia

Trends and growth – Global

- Buildings – strong demand for healthcare, science and technology, and commercial mixed-use developments
- Water – continued strength in UK, Australia and New Zealand
- Infrastructure – community development growth in the UK; transportation in Australia
- Energy & resources – transition initiatives and mining in Australia



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Outlook

2023 Financial Targets

Targets	2023 Annual Range
Net revenue growth	7% to 11%
Adjusted EBITDA as % of net revenue ⁽¹⁾	16% to 17%
Adjusted net income as % of net revenue ⁽¹⁾	above 7.5%
Adjusted diluted EPS growth ⁽¹⁾	9% to 13%
Adjusted ROIC (note) ⁽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 2022 Annual Report).

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



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Q&A

Q4 2022

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Breazeale Nuclear Reactor Neutron Beam Lab Addition
The Pennsylvania State University
University Park, Pennsylvania, USA

