



CLEAR VISION

2020-2022

STANTEC'S STRATEGIC PLAN

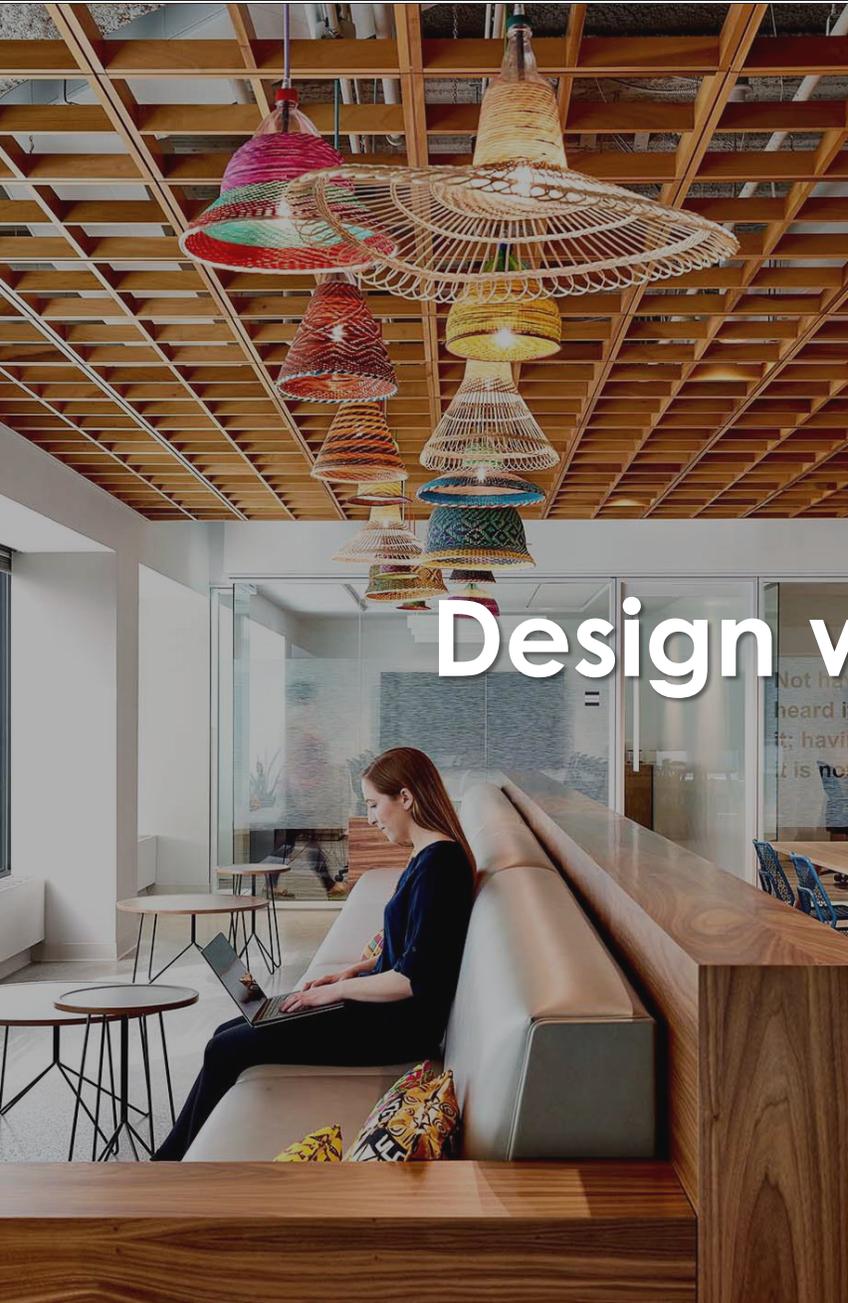


Cautionary Note Regarding Forward-Looking Statements

*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.



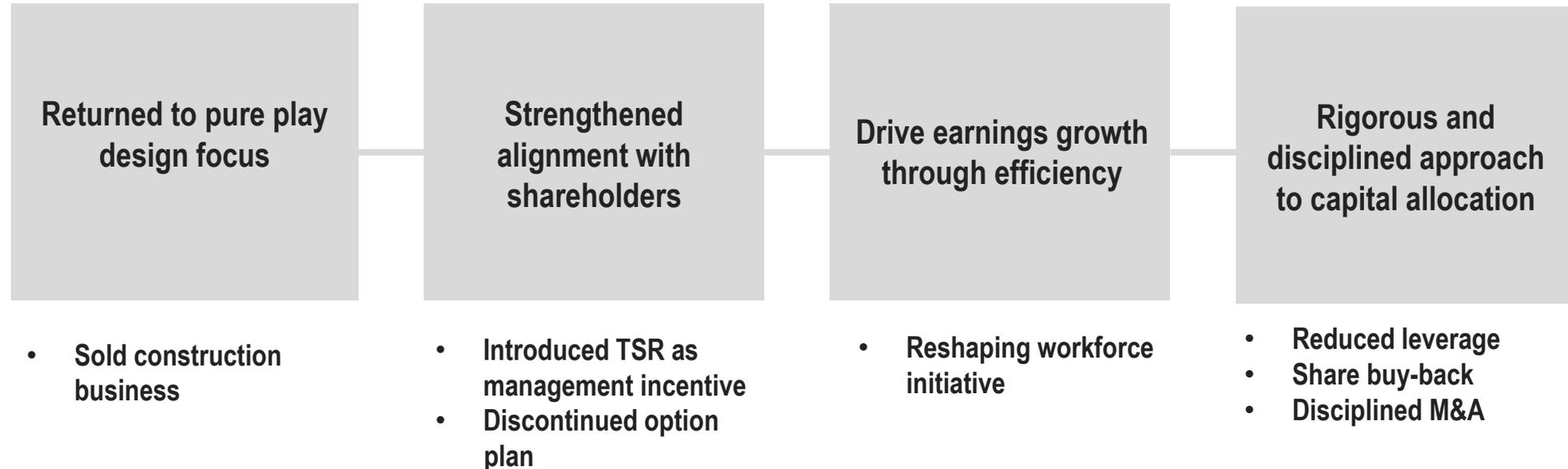
Design with Community in Mind



REDEFINING OUR VISION

Top 10 global design firm that maximizes long-term, sustainable value

Laying the groundwork for our next chapter





Stantec's strategy



Our vision is:

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

Our strategy is:

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.



Evolving Stantec for the future



**Gord
Johnston**

President & Chief
Executive Officer

**Theresa
Jang**

Chief Financial
Officer

**Stuart
Lerner**

Chief Operating
Officer,
North America

**Catherine
Schefer**

Chief Operating
Officer, Global

**Tino
DiManno**

Chief Business
Officer

**Steve
Fleck**

Chief Practice
Officer

**Marshall
Davert**

Chief Innovation
Officer

**Emree
Siaroff**

Chief Human
Resources Officer



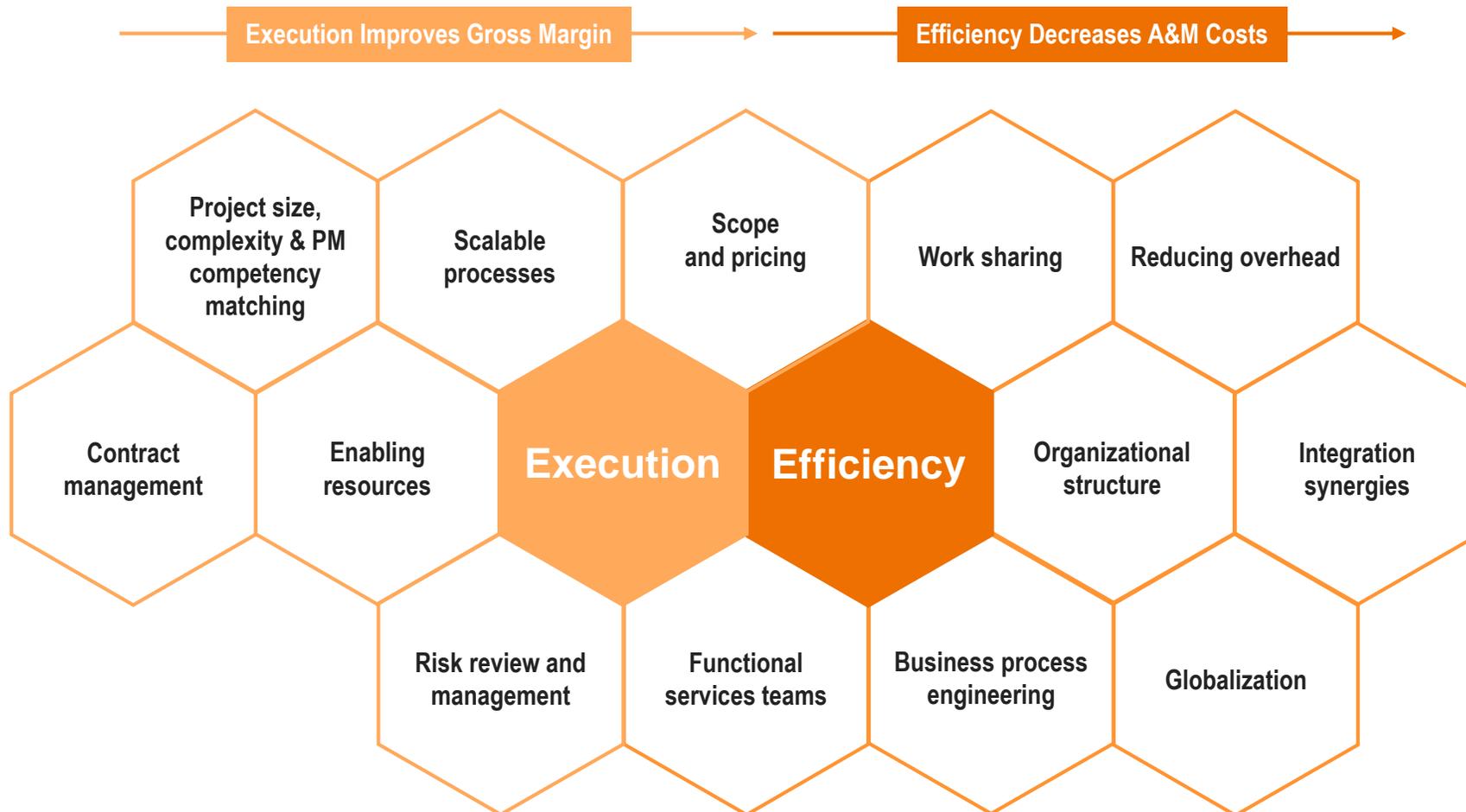
Excellence

 Miami-Dade Consent Decree
Miami, Florida

Execution | Efficiency | HSSE | Sustainability



Enhancing operational performance



WE ARE DRIVEN TO ACHIEVE

MAINTAIN GROSS MARGIN AT
53 - 55%
OF NET REVENUE

BY 2022:
DECREASE A&M COSTS AS A
PERCENTAGE OF NET REVENUE
≥50
BASIS POINTS

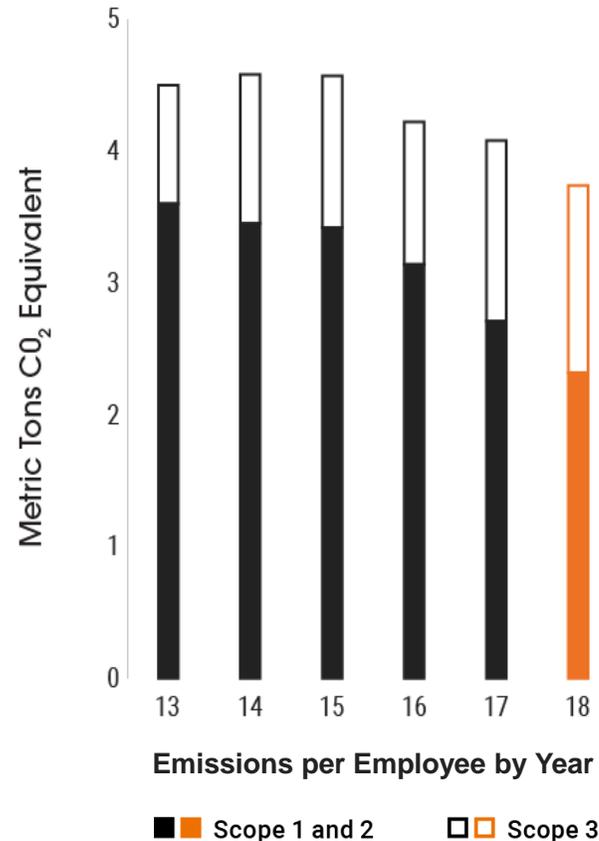


Environment, social & governance

We actively manage our environmental, social, and governance impacts, both in how we operate our business and how we support clients

- **Business Conduct:** 100% compliance with our Code of Business Conduct
- **SaferTogether:** A culture of safety
- **Sustainable Design:** An industry leader
- **Indigenous Communities:** Partnering and building capacity
- **Climate Change:** Reducing emissions and helping communities prepare

Scope	Reduction Target	Baseline Year	Target Year
Scope 1 and 2	40%	2013	2028
Scope 3	20%	2018	2028



WE ARE DRIVEN TO ACHIEVE

36% ↓

2018 SCOPE 1 AND 2 EMISSIONS REDUCTION STATUS - WE ARE AHEAD OF OUR 2028 TARGET

Recognized by CDP for climate leadership with an A- score.

<0.5

TOTAL RECORDABLE INCIDENT RATE



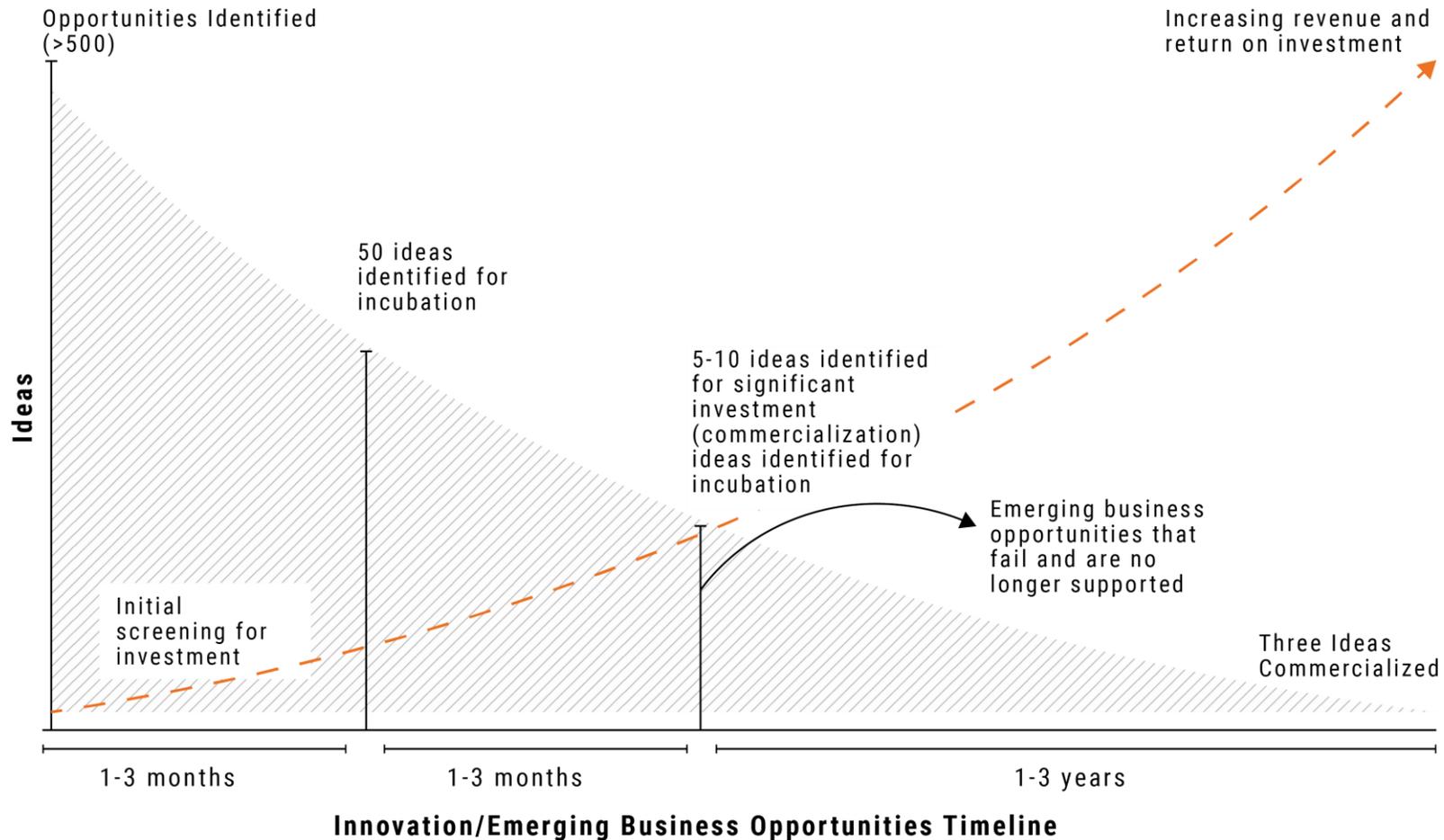
 The Beat, Boston, Massachusetts

Innovation

Enabling growth | The creativity & innovation funnel | Digital transformation



Our innovation commercialization funnel



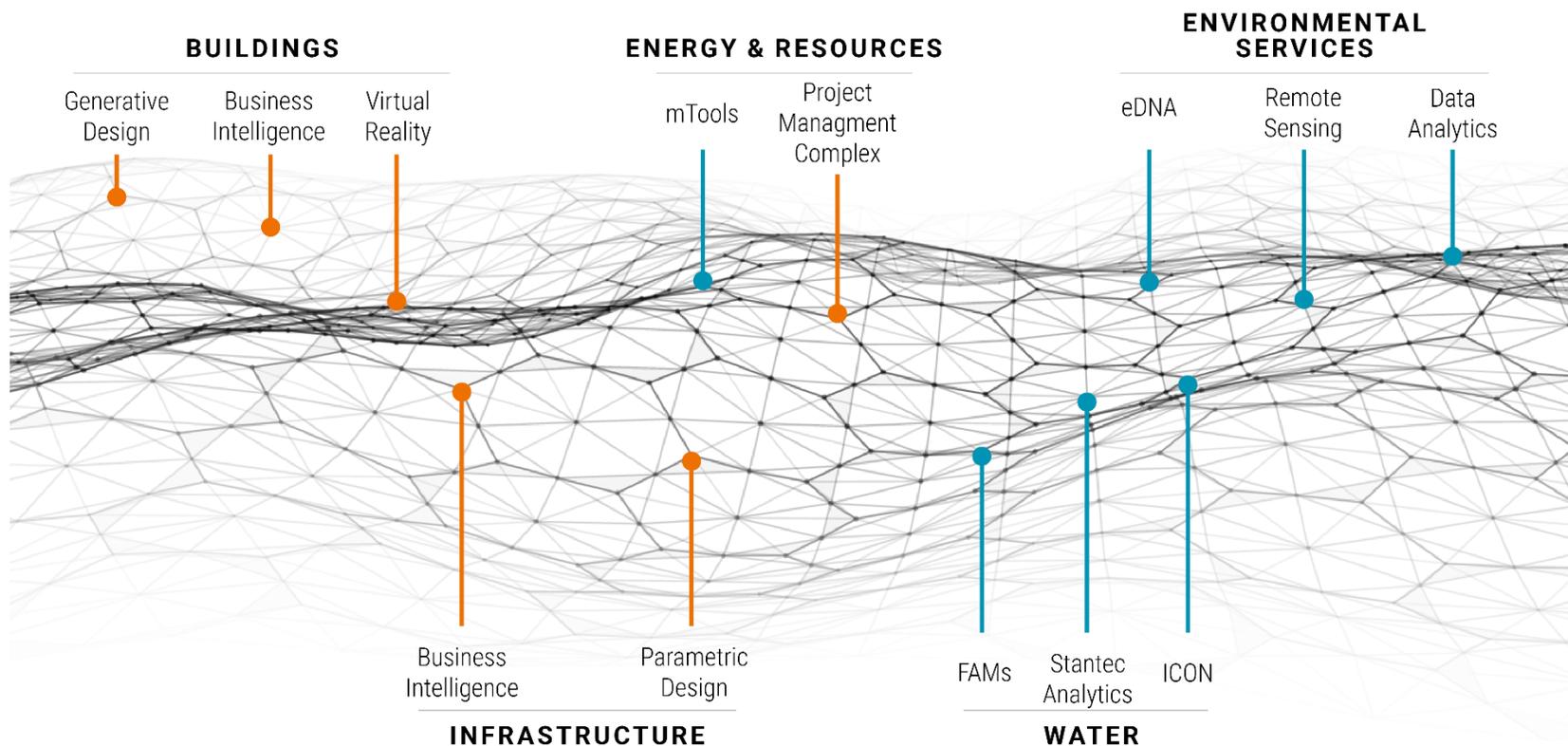
Enabling Growth

Our Creativity & Innovation (C&I) program nurtures the efforts of our people as they develop any idea that benefits us, our clients and communities, our competitive position, or our financial performance.

We are strengthening this program through inspired leadership and increased funding to support these initiatives.



The digital landscape



Digital Strategy Framework:

1

Technology adding value to clients and communities

2

Technology driving delivery effectiveness and shareholder value

3

Technology achieving digital efficiency, resiliency and security



eDNA

Working with the University of Guelph and Precision Biomonitoring, we have deployed a hand-held tool to sample, extract, and analyze eDNA for the presence of target species in the field.

20 projects won

**WE ARE DRIVEN
TO ACHIEVE**

TARGET:

>3/year

INITIATIVES COMMERCIALIZED



People

Building an inspired culture | Our people strategy



Building an inspired culture

Agile, nimble, entrepreneurial, focused on our clients and on winning and delivering exceptional projects.



Culture through community

Career Empowerment Program

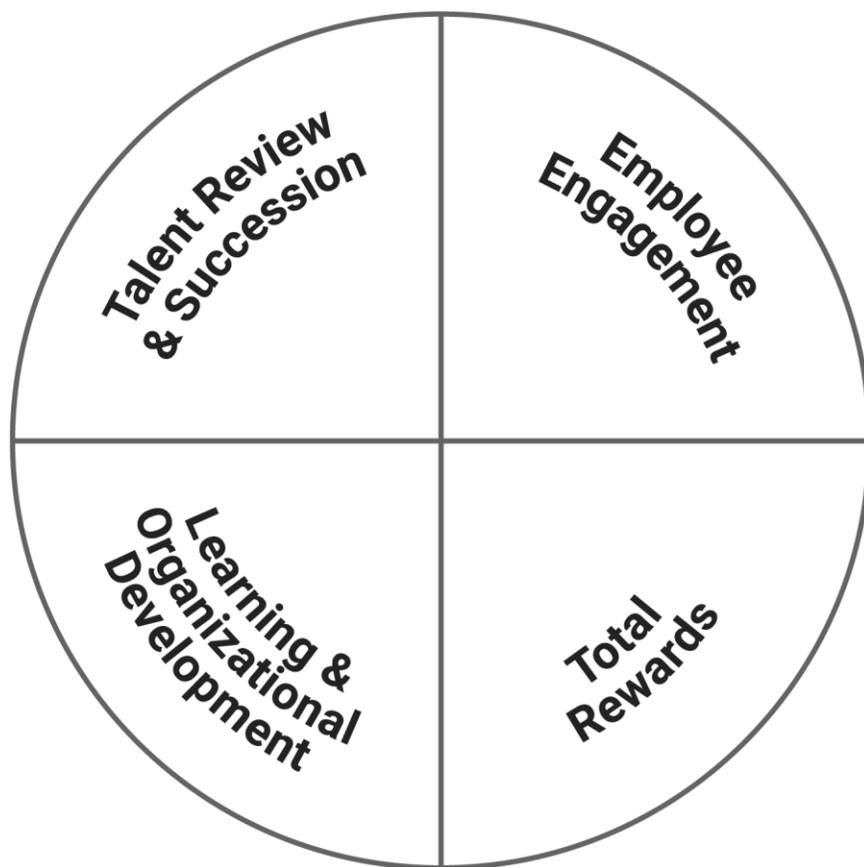
Employee Resource Groups

Developing Professionals Group

Employee Engagement Programs



Our people strategy



**WE ARE DRIVEN
TO ACHIEVE**

>85%

INCLUSION & DIVERSITY
ENGAGEMENT

<12%

EMPLOYEE RETENTION
VOLUNTARY TURNOVER



SEVA residences – foot bridge and marsh development, Candiac, Quebec

Growth

Growth targets | Business mix



Growth

Continued diversification through organic and acquired growth to **enhance long-term earnings stability**

**WE ARE DRIVEN
TO ACHIEVE**

2022 Targets

ADJUSTED EARNINGS PER SHARE

>11%

CAGR

RETURN ON INVESTED CAPITAL

>10%

NET REVENUE

>10%

CAGR



Strong macro trends support our continued growth

Key Market Trends:

CLIMATE CHANGE, URBANIZATION, GEOPOLITICS AND BREAKTHROUGH TECHNOLOGY

Strategic Growth Opportunities:



COASTAL RESILIENCE

US\$300B¹



ECOSYSTEM RESTORATION

US\$9,000B¹



SMART CITIES AND URBAN PLACES

US\$1,700B²



ENERGY REMIX

US\$13,040B³

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



Organic growth pillars

CAMPAIGNS

By **identifying** and **prioritizing** our most important markets, critical campaigns, strategic pursuits and channeling resources toward those opportunities.

ACCOUNT MANAGEMENT

By **sharpening** our approach to client relations, focusing efforts on clients with the highest potential for growth and long-term strategic partnerships.

MARKET POSITIONING

By **strengthening** our external positioning with strategic marketing and client engagement efforts to be seen as thought leaders who deeply understand client and community needs.

We will pursue and win work that transforms our communities and inspires our employees.

**WE ARE DRIVEN
TO ACHIEVE**

2 - 5%

**ANNUAL ORGANIC
NET REVENUE GROWTH**

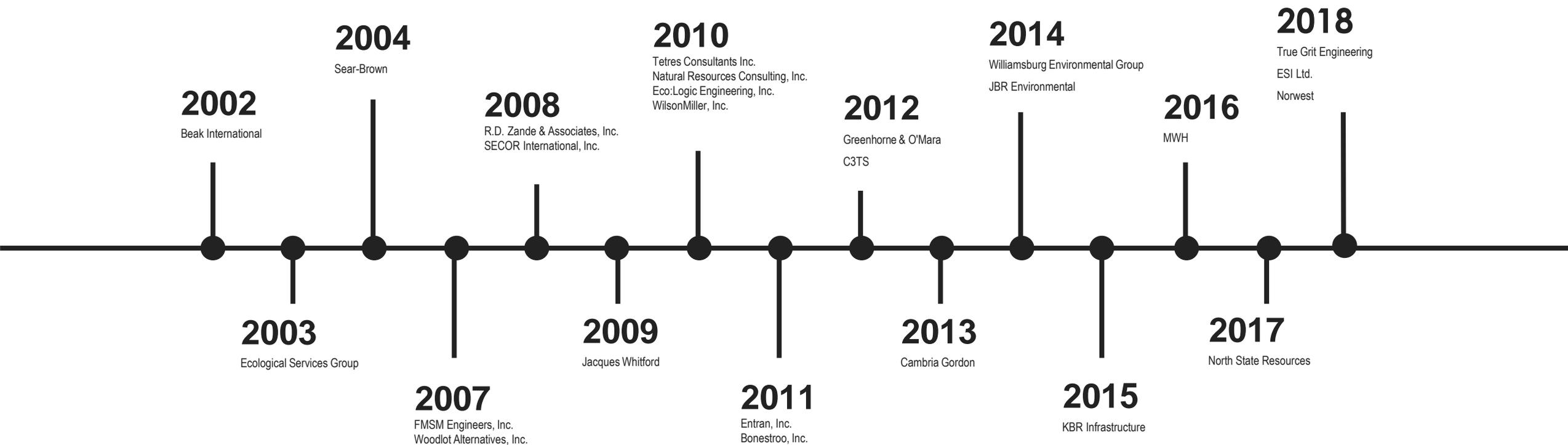
>80%

CLIENT SATISFACTION



The story of environmental services growth

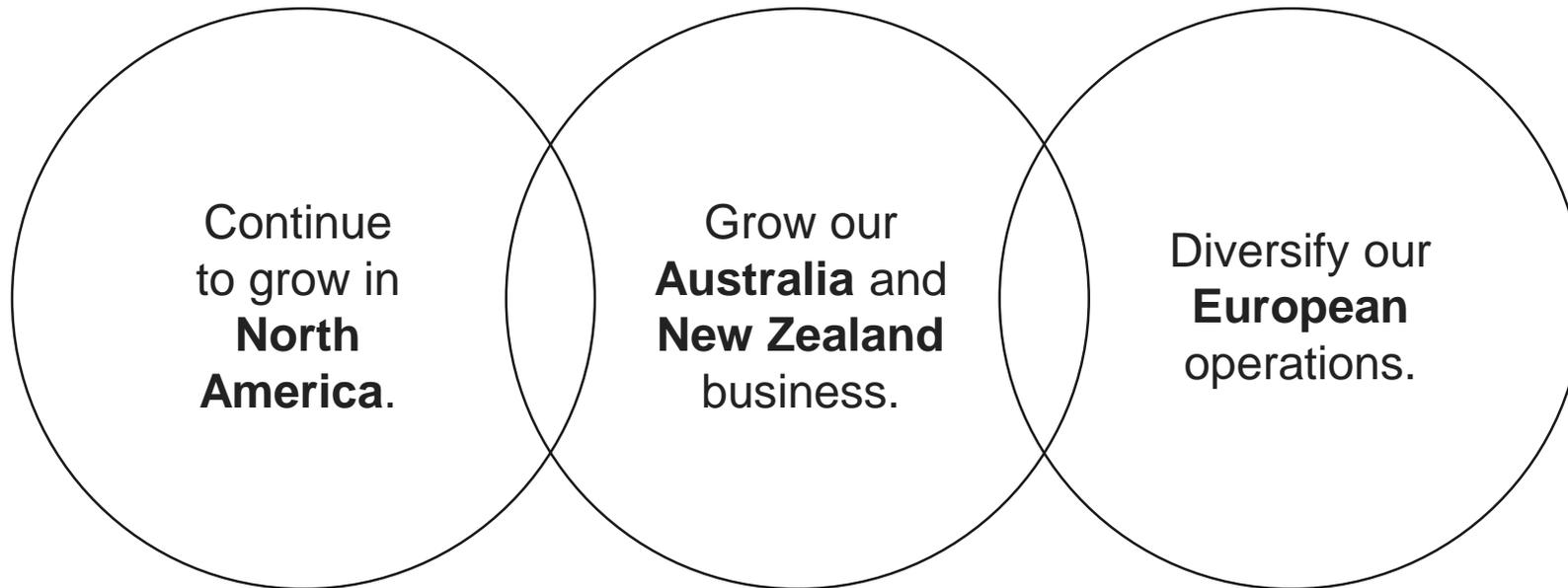
Now generating over \$500M in annual Net Revenue¹ and double-digit organic growth²



¹Q3 2019 TTM
²Q3 2019 YTD



Acquisition priorities going forward



Expand our Portfolio

Winning projects that neither firm could win alone.

Expand our Market

Penetrating a sector or geography we could not have absent the acquisition.

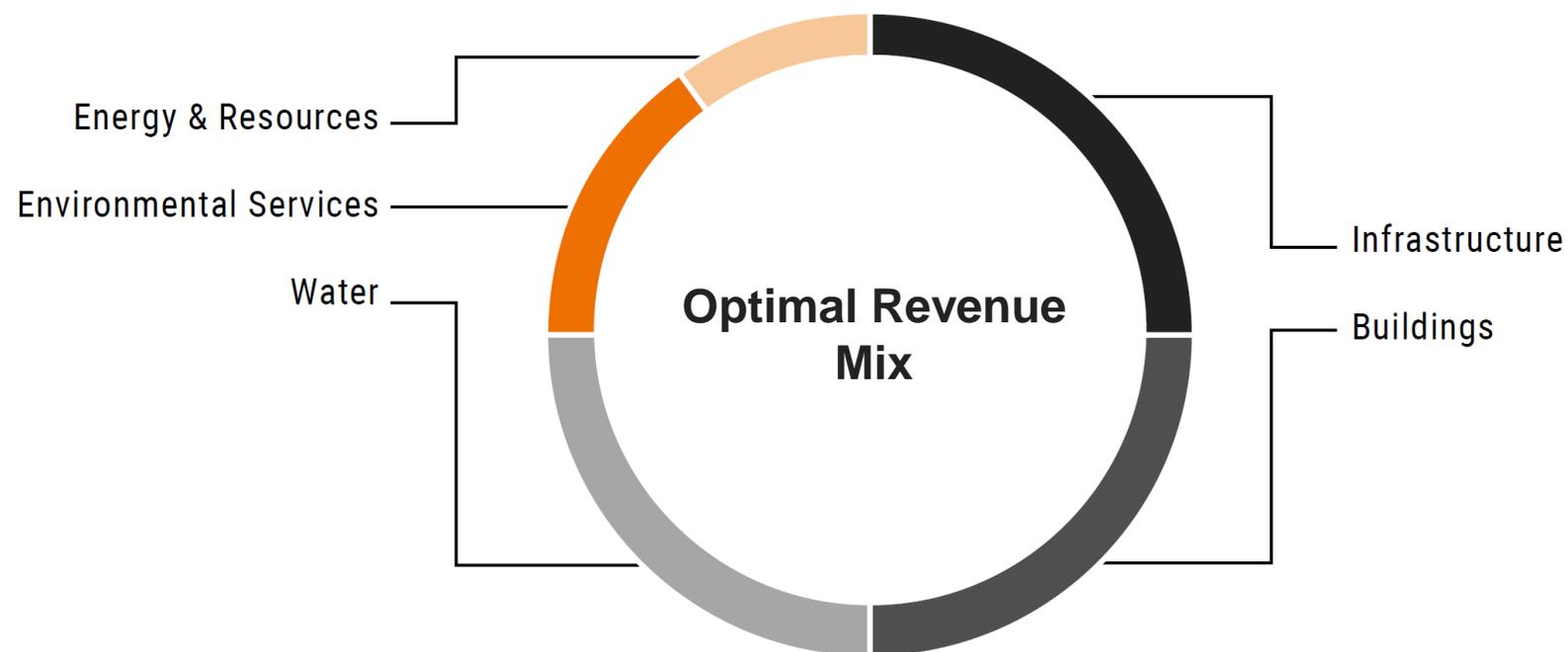


Growing across verticals to promote earnings stability

Growth will continue across all business units

Infrastructure ↗
Buildings ↑
Water ↑
Environmental ↑
E&R ↗

Maintain weighting of 85% or higher toward **non-cyclic industries.**





Disciplined acquisition growth

Small and medium-sized acquisitions that meet our minimum requirements:

Accretive to earnings

- Risk adjusted internal rate of return must be $>$ weighted average cost of capital.

Synergistic opportunities

- Earnings potential as a whole must be greater than the parts.

Global platform

- Earnings expansion by placing acquisitions on global back office and marketing platform

Fits our risk profile

Business and cultural fit





📍 Bhoite Koshi Hydropower Project
Bhoite Koshi River, Sindhupalchok District, Nepal

Financial Highlights

Capital deployment | Balance sheet | Financial targets



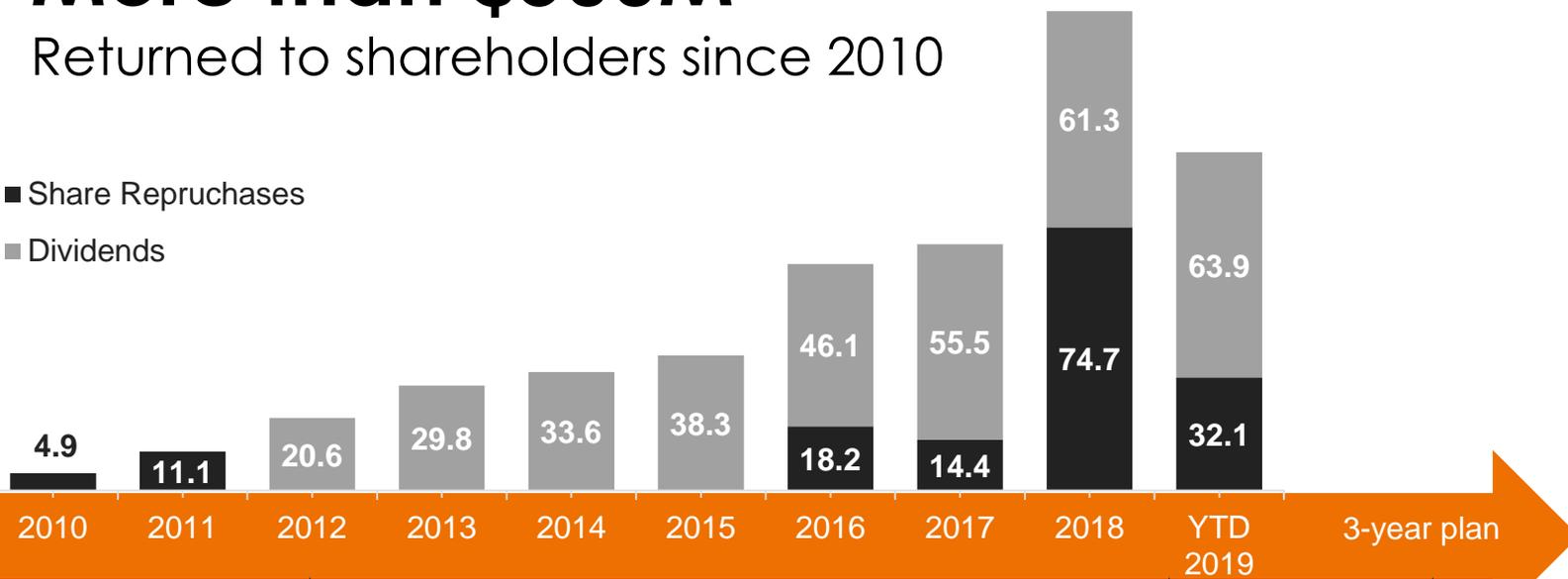
Capital allocation strategy has evolved

More than \$500M

Returned to shareholders since 2010

Capital Returned to Shareholders (\$ millions)

■ Share Reprurchases
■ Dividends



Dividend initiated ↑

TSR adopted as a long-term incentive plan metric
Stock option program cancelled ↑

Continued focus on disciplined capital allocation:
Moderated growth CAGR; commitment to more rigorous
pursuit of small & medium sized acquisitions

3-year plan

WE ARE DRIVEN TO ACHIEVE

25 - 30%

DIVIDEND PAY OUT RATIO

>11%

ADJUSTED EPS CAGR

>10%

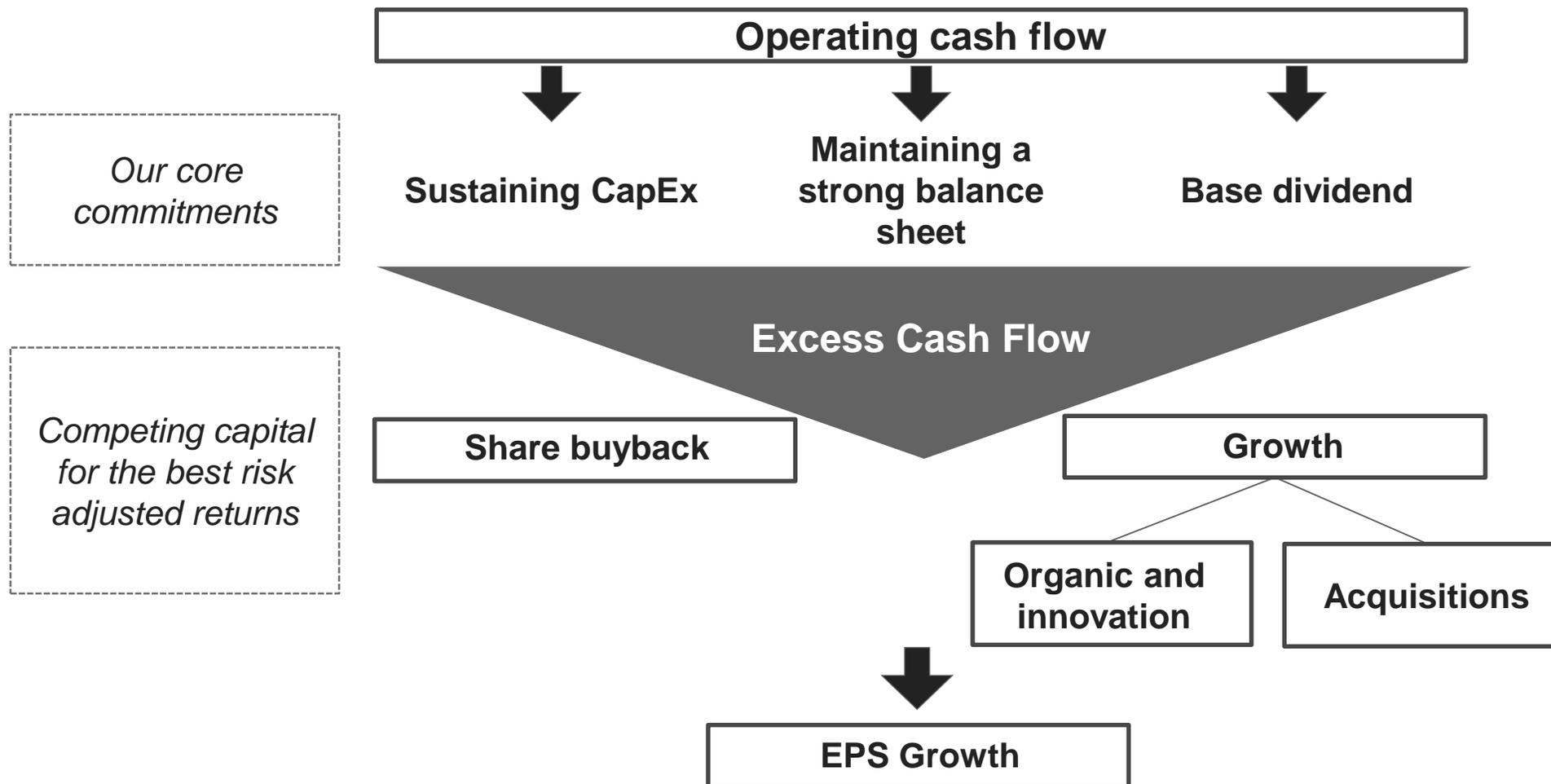
RETURN ON INVESTED CAPITAL BY 2022

Significant Events



Our ongoing capital allocation philosophy

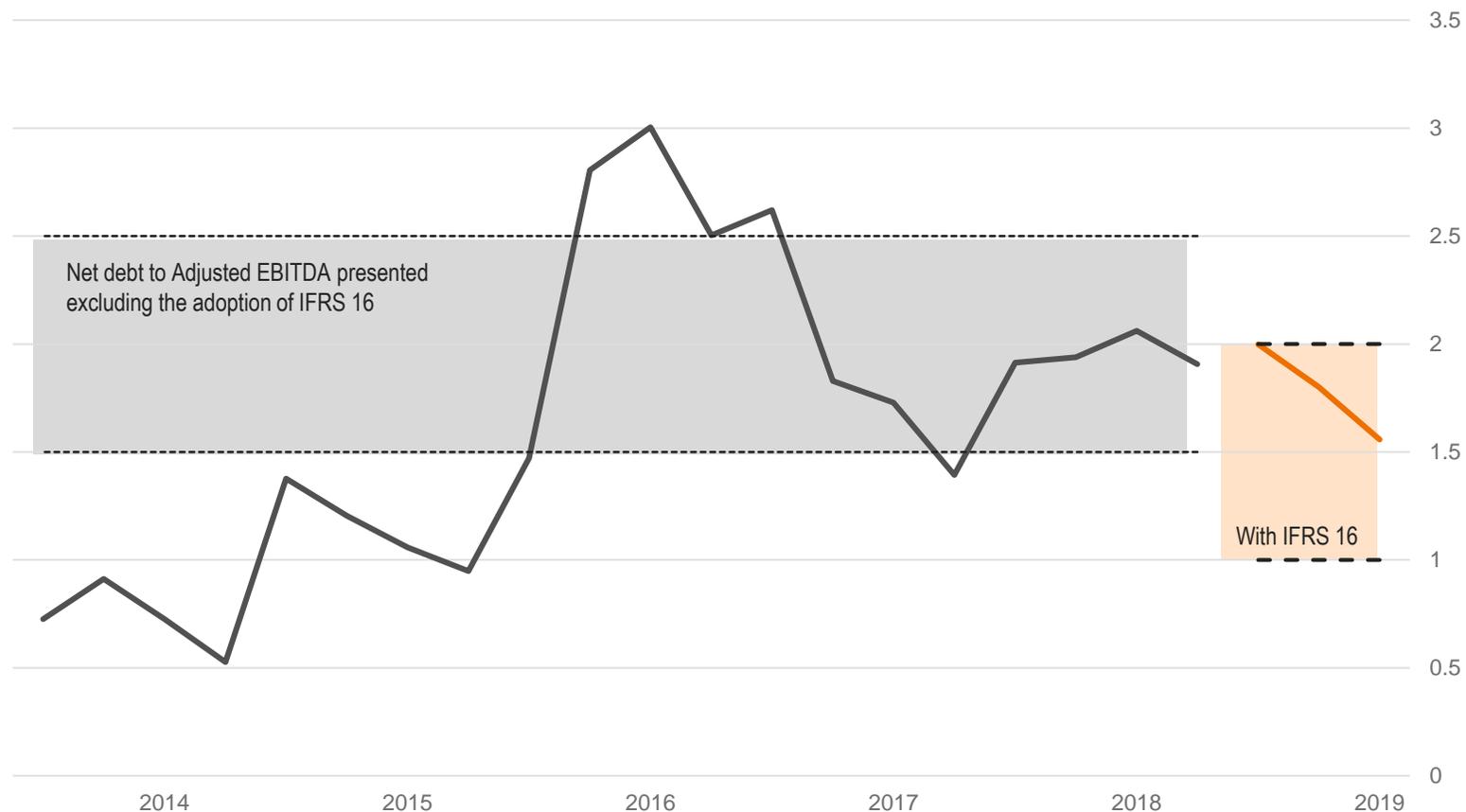
Focused on achieving the best risk adjusted returns





Balance sheet strength

Net Debt to Adjusted EBITDA (TTM)



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



Our 2022 Targets

Ruwais Marina District,
Rumais, Abu Dhabi, UAE

NET REVENUE

>10%

CAGR

ADJUSTED
EBITDA MARGIN

16-17%

OF NET REVENUE

ADJUSTED
EARNINGS PER SHARE

>11%

CAGR

RETURN ON
INVESTED CAPITAL

>10%



2020 targets and guidance

Targets:

Adjusted EBITDA⁽¹⁾
(% of net revenue)



Adjusted Net Income⁽¹⁾
(% of net revenue)



Return on Invested Capital



Guidance:

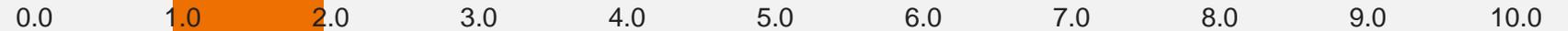
Gross Margin
(% of net revenue)



Administrative & Marketing Expenses
(% of net revenue)



Net Debt to Adjusted EBITDA



⁽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.



Stantec's strategy



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Our strategy is:

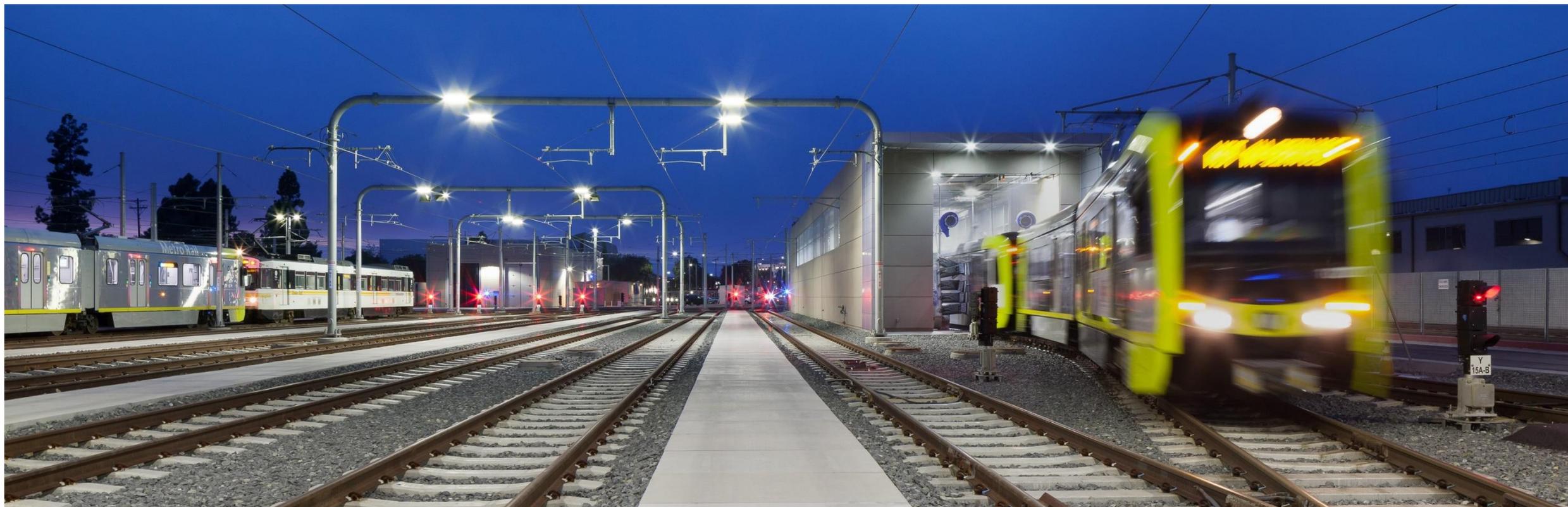
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Q&A

📍 SR 90 Tamiami Trail - Bridging from East of Osceola Camp to West of Airboat Association of Florida

2022 – Clear vision



Appendix

Targets	2020
<i>(In millions of Canadian dollars, unless otherwise stated)</i>	
Adjusted EBITDA as % of net revenue <i>(note 1)</i>	15.5% to 16.5%
Adjusted net income as % of net revenue <i>(note 1)</i>	At or above 6.0%
Return on Invested Capital <i>(note 2)</i>	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) <i>(notes 1, 3)</i>	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 includes deferred revenue. Excluding deferred revenue, DSO would be 103 days.