



STN
TSX NYSE



Q4 and Year End 2023 Earnings Presentation

February 29, 2024





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.



2023 Key highlights

Record

Financial results

Highest

Organic net revenue growth rate ever achieved

Lowest

Voluntary turnover among peers

5%

Workforce growth through organic hires



Corporate Knights Global 100

#1

Ranked the most sustainable design and engineering firm in the world

#9

Ranked as one of the most sustainable companies in the world



Closed two key acquisitions to start 2024



645-person engineering firm in all major German metropolitan areas

Closed January 8, 2024



1,150-person engineering & management firm with offices in Canada, US, and India

Closed February 9, 2024



Record 2023 financial results

Net revenue

\$5.1B | **▲ 14%**

Increased earnings
driven by:

Adjusted EBITDA ⁽¹⁾

\$831M | **▲ 15%**

Organic Net Revenue Growth ⁽¹⁾

9.9%

Adjusted EBITDA Margin ⁽¹⁾

16.4% | **▲ 20bps**

Acquisition Growth ⁽¹⁾

1.5%

Adjusted Diluted EPS ⁽¹⁾

\$3.67 | **▲ 17%**

Project Margin

54.2%

2023 KEY DRIVERS

Robust investment /
demand from both
public and private
sectors continues

Strong project execution

Efficiencies gained
through operating
leverage

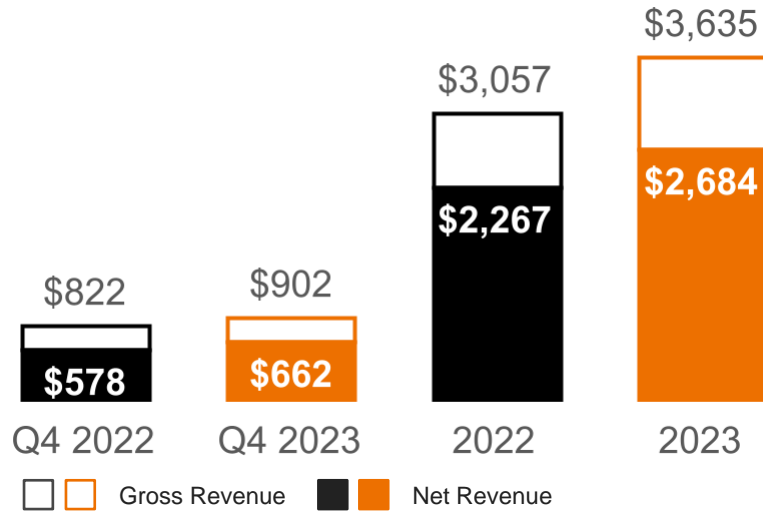
(1) Adjusted EBITDA, adjusted EBITDA margin, and adjusted diluted EPS are non-IFRS measures, and organic net revenue growth and acquisition growth are other financial measures (discussed in the Definitions section of Stantec's 2023 Annual Report).



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United States

Gross and net revenue (\$ millions)



**\$4.0
Billion**

BACKLOG

12.3% organic growth & **2.4%** acquisition growth

Double-digit organic growth in:

- Water – public sector and industrial projects; large-scale water security projects in western US
- Buildings – healthcare, industrial, civic, and science and technology
- Energy & Resources – hurricane recovery and power grid modernization in Puerto Rico



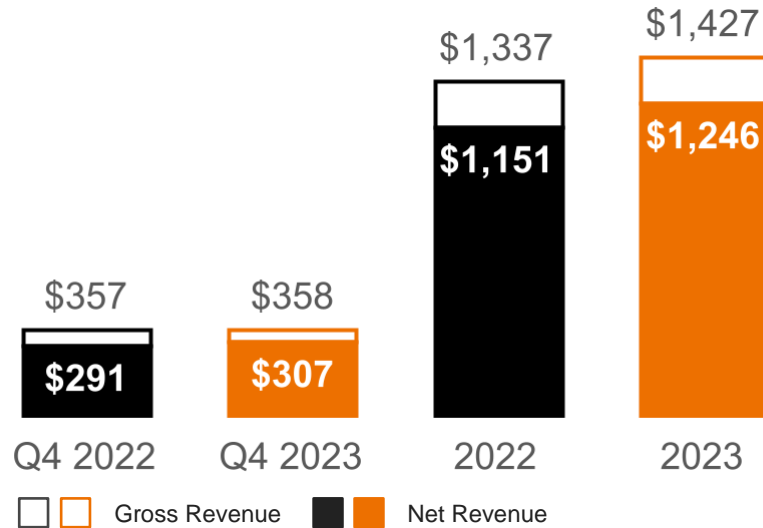
Spaghetti Bowl Express Interchange and Landscape
Reno, Nevada, US



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Canada

Gross and net revenue (\$ millions)



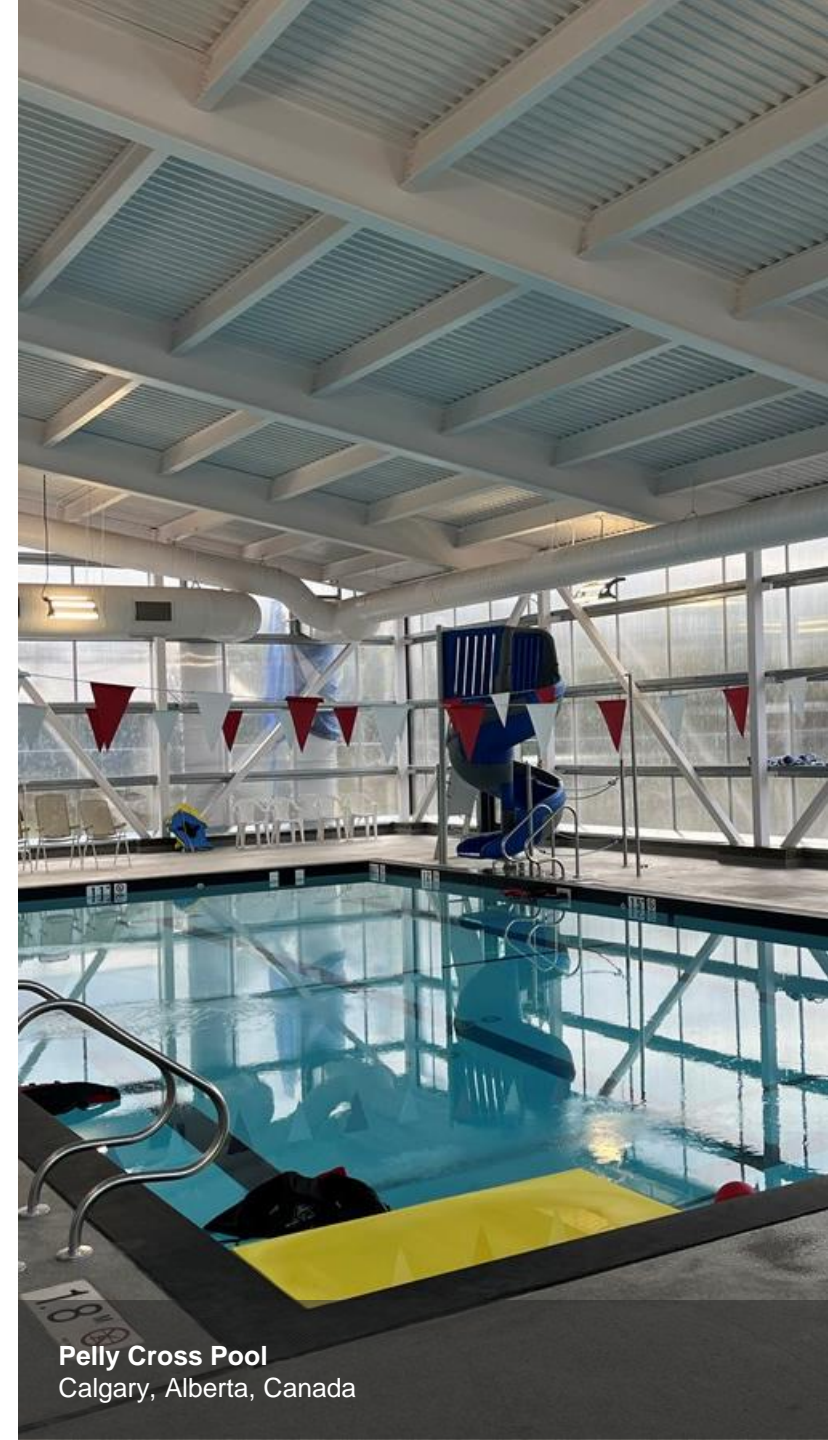
**\$1.3
Billion**

BACKLOG

8.3% organic growth

Double-digit organic growth in:

- Environmental Services – permitting, archaeology resource assessments and environmental impact assessments
- Infrastructure – large-scale bridge and roadway projects
- Water – wastewater solutions



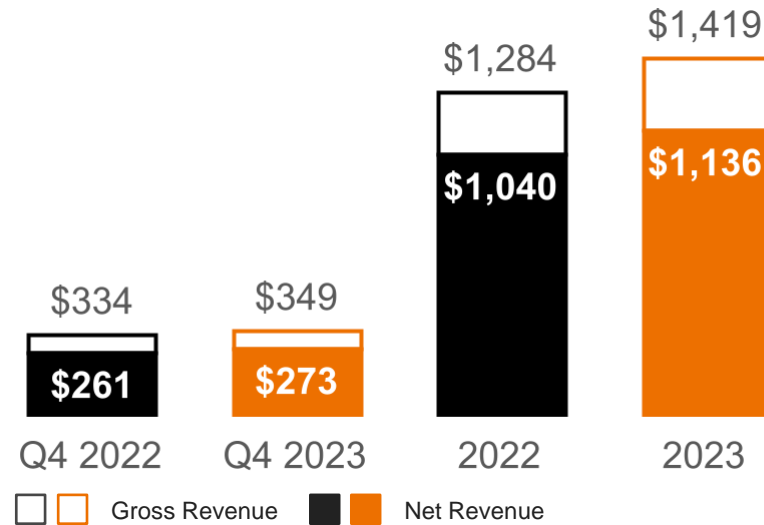
Pelly Cross Pool
Calgary, Alberta, Canada



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Global

Gross and net revenue (\$ millions)



**\$1.0
Billion**

BACKLOG

6.5% organic growth & **1.1%** acquisition growth

Double-digit organic growth in:

- Water – long-term framework agreements in UK, New Zealand and Australia, and public sector investment
- Energy & Resources – major energy storage project in UK and mining activities to support the energy transition



New City West Bus Layover
Turner, ACT, Australia



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Q4 AND YEAR END 2023



2023 Financial Performance

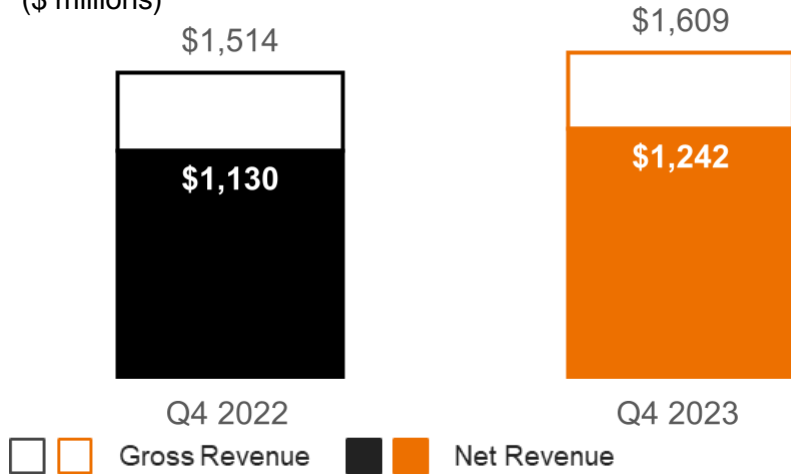
Hyperion Water Reclamation Plant
Los Angeles, California, US

Theresa Jang - Executive Vice President and Chief Financial Officer



Q4 2023 Financial results

Gross and net revenue (\$ millions)



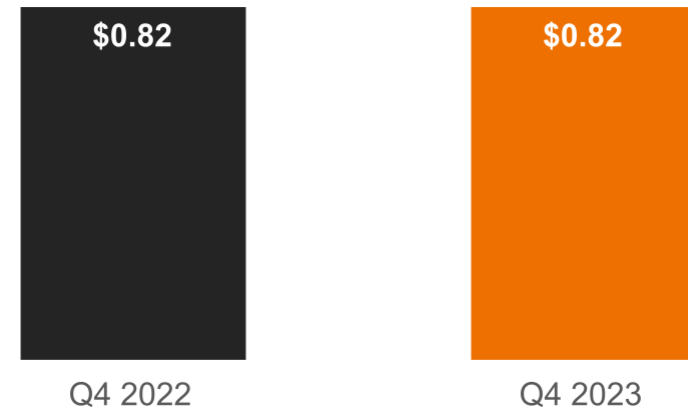
Project margin (\$ millions and % of NR)



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



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

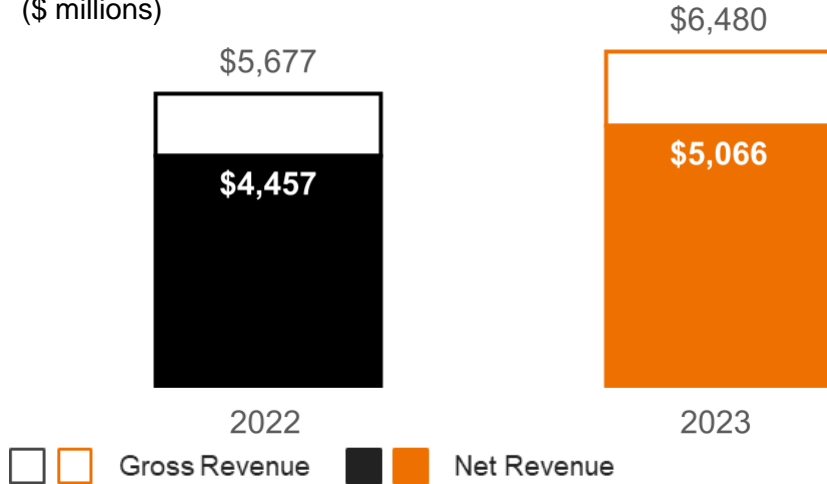


(1) Adjusted EBITDA, adjusted EBITDA margin and adjusted diluted earnings per share are non-IFRS measures (discussed in the Definitions section of Stantec's 2023 Annual Report).

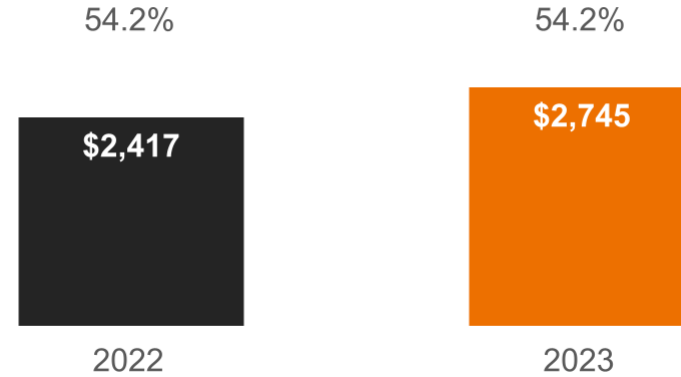


2023 Financial results

Gross and net revenue (\$ millions)



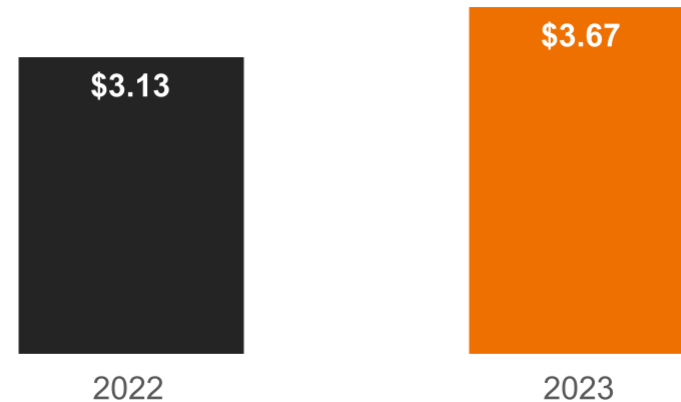
Project margin (\$ millions and % of NR)



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



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

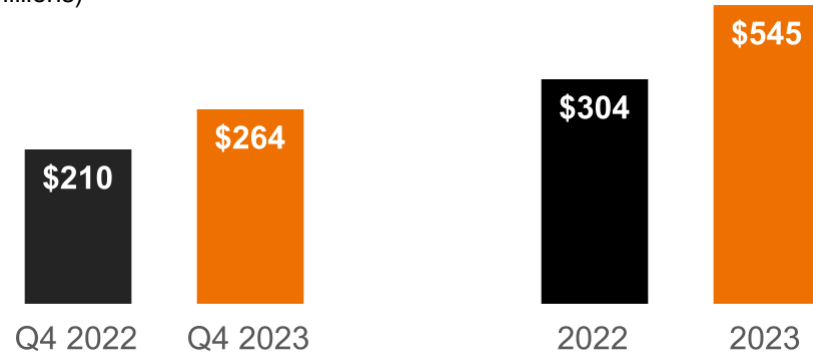


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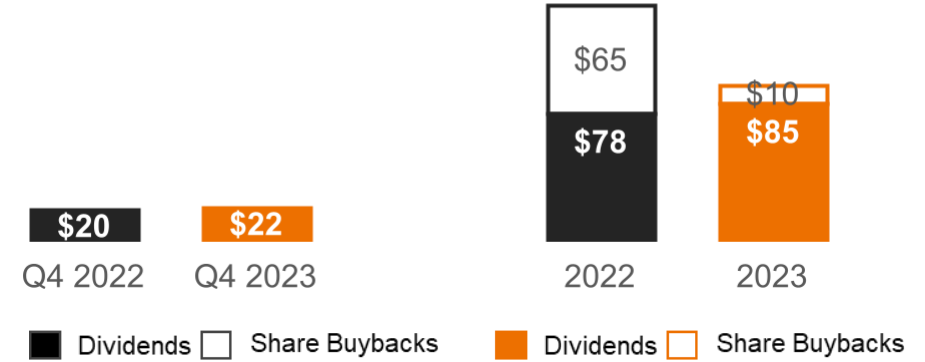


Liquidity and capital resources

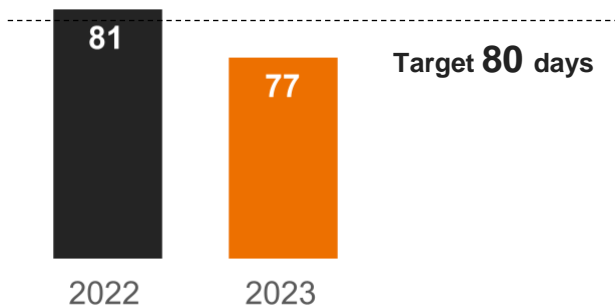
Operating cash flow (\$ millions)



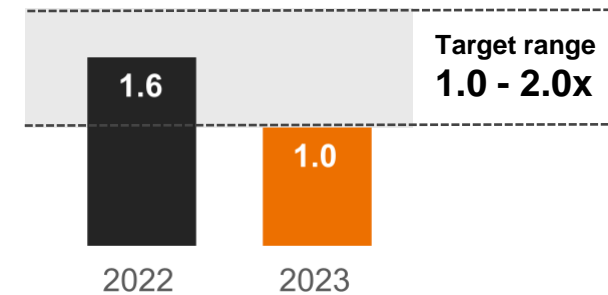
Capital returned to shareholders (\$ millions)



Days sales outstanding⁽¹⁾



Net debt to adjusted EBITDA⁽¹⁾



(1) Net debt to adjusted EBITDA and days sales outstanding are non-IFRS measures (discussed in the Definitions section of Stantec's 2023 Annual Report).



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Q4 2023 Backlog, Major Projects & Outlook

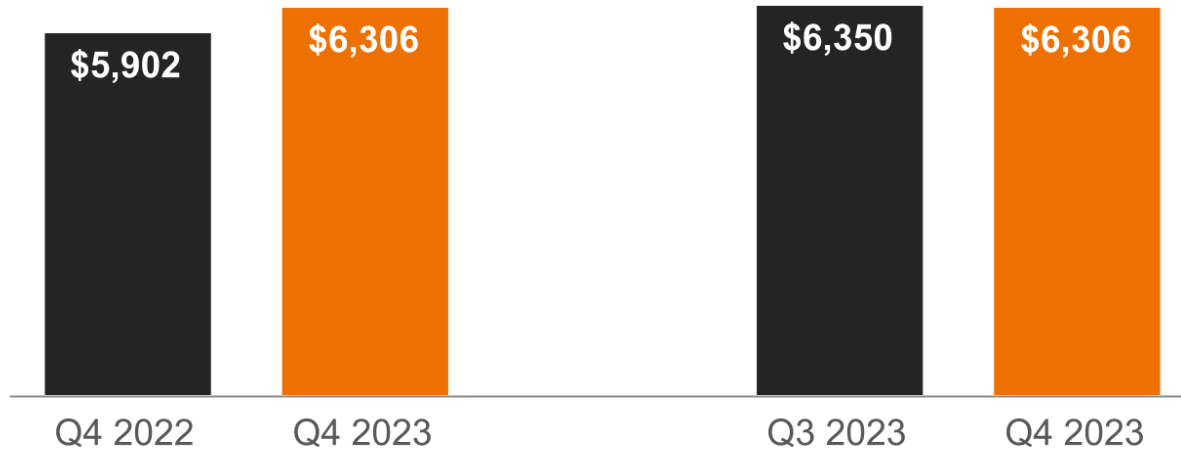
East Midtown Greenway
New York, New York, US

Gord Johnston - President and Chief Executive Officer



Significant Backlog

Backlog (\$ millions)



- **6.8%** growth since December 31, 2022
- **4.6%** organic growth; organic backlog growth in Water and Buildings
- Represents approximately **12** months of work



San Fernando Groundwater Basin Remediation Project
Los Angeles, California, US



Major Project Awards



Lithium-ion Battery Cell Manufacturing Facility

- \$1 billion project expected to be largest factory in western Canada for high performance lithium-ion battery cells, providing architectural, environmental services and engineering services.



Northumbrian Water's Living Water Enterprise

- Joint venture partners Esh-Stantec appointed to \$3.6 billion AMP8 investment program with a range of engineering, design, and build services.



Hamdan Bin Rashid Cancer Hospital

- Stantec chosen to provide design services for the Hamdan Bin Rashid Cancer Hospital, Dubai's first integrated, comprehensive cancer hospital, including clinics, clinical trial areas, urgent care, infusion and radiology rooms.



Severn Trent Water

- Appointed to the AMP8 design services framework for assessments, design, geotechnical support, monitoring and procurement.



Major Project Awards

- Stantec selected to design £4 billion battery manufacturing facility in the United Kingdom for Agratas, Tata Group's global manufacturing business.
- 3.2 million square foot facility will support United Kingdom's green energy transition; one of the largest facilities in Europe.
- Stantec will provide architecture, mechanical, electrical, plumbing, structural, and civil engineering services, as well as risk management, planning compliance, BIM management, landscape architecture, and more.
- Stantec's industry-leading architectural and engineering teams provide significant knowledge in advanced manufacturing design, helping clients improve their operations, reduce costs and optimize production flows.





2024 Financial Targets

	Previously Published 2024 Annual Range	2024 ANNUAL RANGE
Net revenue growth	7% to 12%	11% to 15%
Adjusted EBITDA as % of net revenue ¹	16.2% to 17.2%	16.2% to 17.2%
Adjusted net income as % of net revenue ¹	above 8%	above 8.0%
Adjusted diluted EPS growth ¹	11% to 16%	12% to 16%
Adjusted ROIC ¹	above 11.0%	above 11.0%

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).





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Theresa Jang

CFO

Planned Retirement

Theresa will remain as chief financial officer until her successor is in place, ensuring a smooth transition





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Q&A

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