



Q4 & Year end 2018

Earnings Presentation

STN
TSX · NYSE

EVOKE
DELIVER
INSPIRE
COLLABORATE
SUSTAIN
EVOLVE
DESIGN
ENHANCE
LEAD
INNOVATE
PERFORM
ENVISION
ACHIEVE
CREATE
TRANSFORM
GROW



Cautionary Statement

This presentation contains non-IFRS 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.

For a discussion of risk factors and non-IFRS measures, see our 2018 Annual Report which is available on SEDAR, EDGAR, and stantec.com.



Agenda

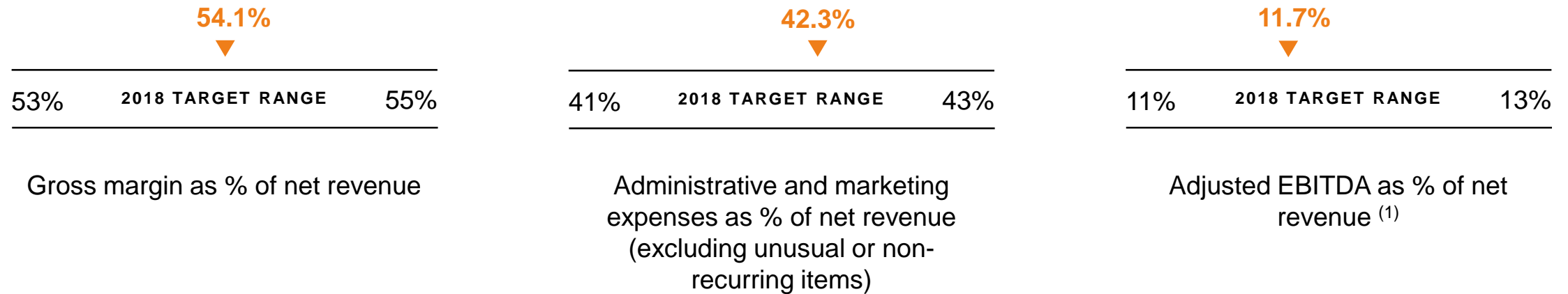
Gord Johnston
2018 Highlights

Theresa Jang
Fourth Quarter and 2018
Financial Performance

Gord Johnston
Operational Highlights
2019 Outlook and Targets

2018 Results Compared to Targets

Consulting Services



- Including unusual and non-recurring items, administrative and marketing expenses were 42.9% of net revenue
- EBITDA was 11.0% of net revenue

2018 Overview

3.3%

ORGANIC NET REVENUE GROWTH

Growth in all regional operating units

7

STRATEGIC ACQUISITIONS

Canada
United States
New Zealand
United Kingdom

42.3%*

OPERATIONAL EFFECTIVENESS

↑ Improvements in utilization
↓ *Admin & marketing expenses before unusual or non-recurring items (as % of net revenue)

Nov 2, 2018

DIVESTITURE OF CONSTRUCTION SERVICES

Reflected as discontinued operations

Financial Performance

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 Stantec

Financial Results Presentation Changes

Construction Services

As required under accounting rules:

- presented as discontinued operations in current and comparative periods
- reclassified certain ongoing corporate costs historically allocated to Construction Services
- earnings and cashflows restated
- *restated quarterly results and reconciliations presented in the appendix*

Financial Results Presentation Changes

Continuing Operations

Adjusted EBITDA
Adjusted net income
Adjusted EPS



Excludes unusual or non-recurring items that are not reflective of our underlying operations.

Adjusted net income and adjusted EPS continue to exclude amortization of acquired intangibles.

Q4 18 Financial Results

Continuing Operations – Consulting Services

	Q4 18	Q4 17
	\$	\$
<i>(In millions of Canadian dollars, except per share amounts)</i>		
Gross revenue	1,083.9	977.4
Net revenue	835.6	749.9
Gross margin	449.4	419.0
Administrative and marketing expenses	382.7	350.7
EBITDA from continuing operations ⁽¹⁾	61.2	73.5
Net income from continuing operations	21.2	15.6
Adjusted EBITDA from continuing operations ⁽¹⁾	84.2	66.8
Adjusted net income from continuing operations ⁽¹⁾	45.5	39.7
Adjusted basic & diluted EPS from continuing operations ⁽¹⁾	0.40	0.35

Gross and net revenue were accounted for using IFRS 15 in 2018 and IAS 11 in 2017. Prior period amounts have been restated to conform with the current year's presentation.

⁽¹⁾ EBITDA, adjusted EBITDA, adjusted net income, and adjusted basic and diluted EPS are non-IFRS measures (discussed in the Definition section of the 2018 Annual Report).

Discontinued Operations – Construction Services

After-tax loss from discontinued operations	(32.2)	-
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Q4 18 Financial Results

Adjusted EBITDA from Continuing Operations

(In millions of Canadian dollars)

	Quarter Ended December 31	
	2018	2017
Net income from continuing operations	21.2	15.6
Add back:		
Income taxes	2.6	23.0
Net interest expense	9.3	5.5
Depreciation and amortization	28.1	29.4
EBITDA from continuing operations ⁽¹⁾	61.2	73.5
Add back (deduct) pre-tax:		
Lease exit liability	12.8	-
Past service cost for pensions	4.7	-
Unrealized loss on investments held for self-insured liabilities	5.5	-
Rebalancing of investments held for self-insured liabilities	-	(6.7)
Gain on disposition of a subsidiary	-	-
Adjusted EBITDA from continuing operations ⁽¹⁾	84.2	66.8

⁽¹⁾ EBITDA, adjusted EBITDA are non-IFRS measures (discussed in the Definition section of the 2018 Annual Report).

2018 Financial Results

Continuing Operations – Consulting Services

	2018	2017
	\$	\$
<i>(In millions of Canadian dollars, except per share amounts)</i>		
Gross revenue	4,283.8	4,028.7
Net revenue	3,355.2	3,173.8
Gross margin	1,815.2	1,761.9
Administrative and marketing expenses	1,438.2	1,407.7
EBITDA from continuing operations ⁽¹⁾	370.1	414.6
Net income from continuing operations	171.3	97.0
Adjusted EBITDA from continuing operations ⁽¹⁾	392.5	353.3
Adjusted net income from continuing operations ⁽¹⁾	206.6	196.7
Adjusted diluted EPS from continuing operations ⁽¹⁾	1.82	1.72

Gross and net revenue were accounted for using IFRS 15 in 2018 and IAS 11 in 2017. Prior period amounts have been restated to conform with the current year's presentation.

⁽¹⁾ EBITDA, adjusted EBITDA, adjusted net income, and adjusted basic and diluted EPS are non-IFRS measures (discussed in the Definition section of the 2018 Annual Report).

Discontinued Operations – Construction Services

After-tax loss from discontinued operations	(123.9)	-
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Liquidity and Capital Resources

Days sales outstanding	103
• Net of deferred revenue	88
Undrawn borrowing capacity	\$223M
• Plus accordion	\$400M
Net debt to EBITDA	2.42X
Shares repurchased under NCIB	2.4M
• Cost	\$76.7M
• Average price per share	\$31.09

Strong balance sheet provides flexibility to continue executing growth strategy

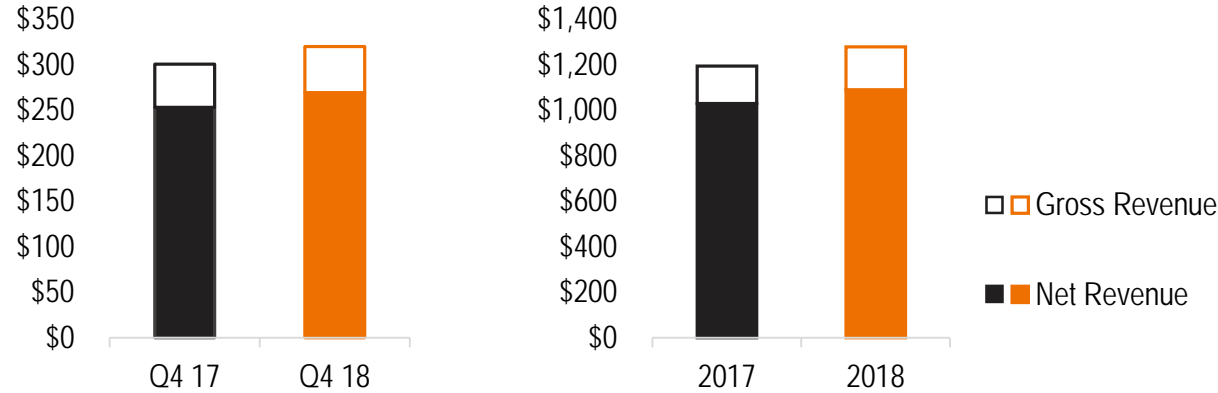
Operational Highlights

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TSX NYSE

 **Stantec**

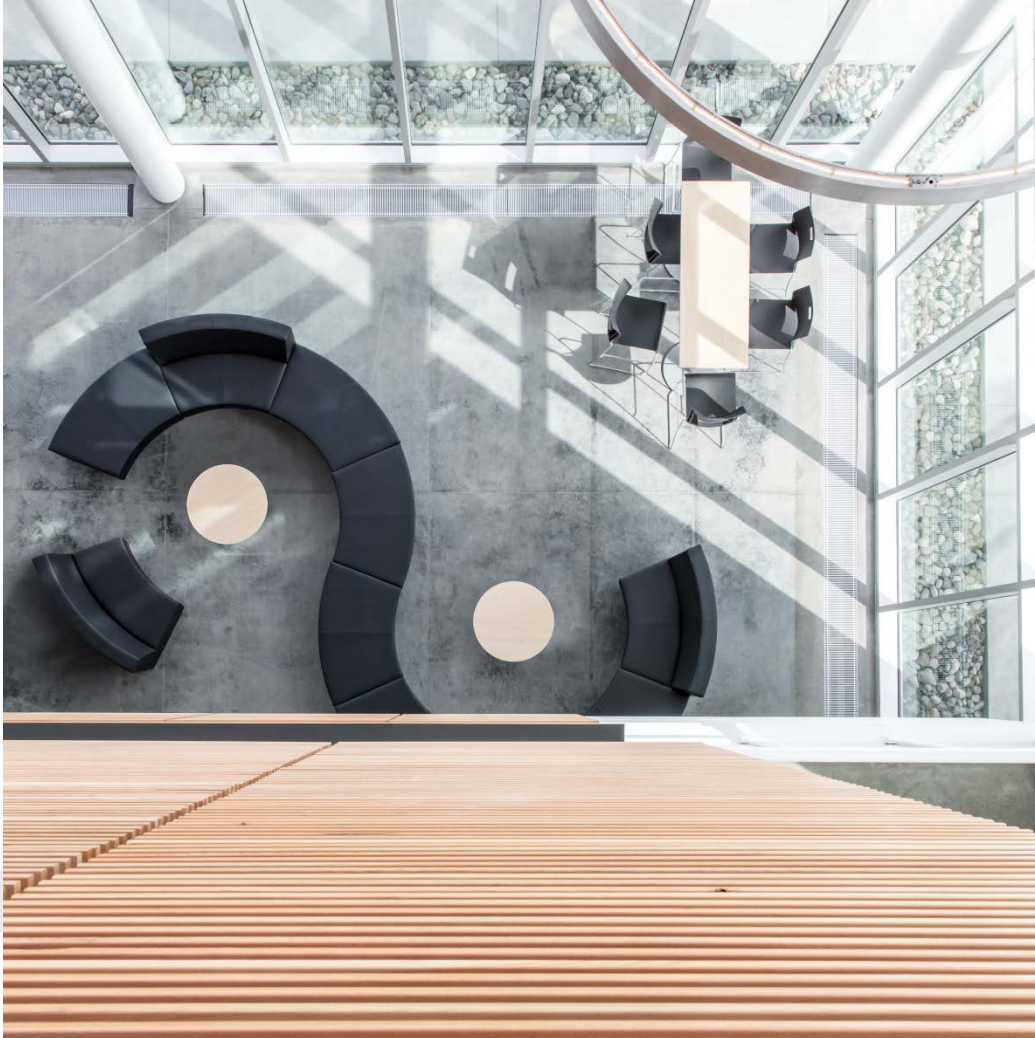
CONSULTING SERVICES Canada

millions (C\$)



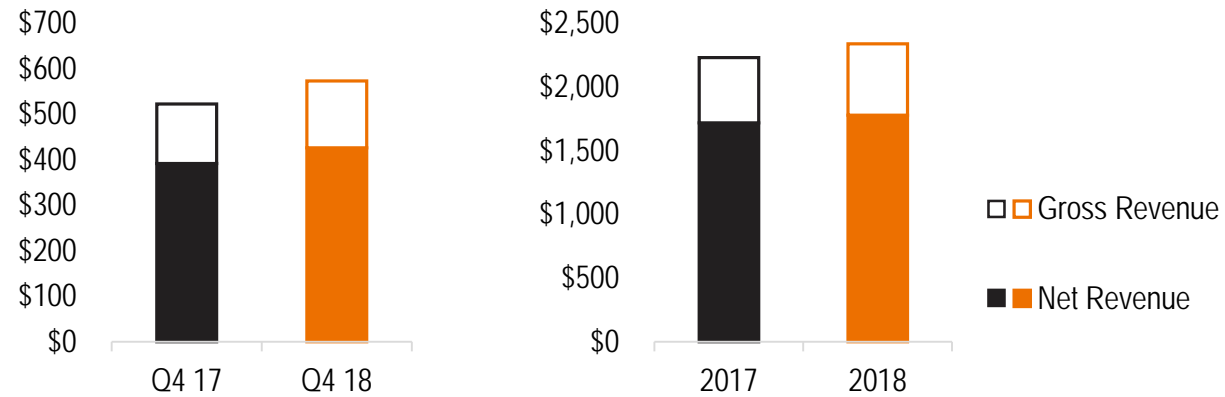
Strong growth in Power and Oil & Gas sectors.
 Growth in Water driven by projects in western Canada.
 Opportunities in midstream oil and gas.

	Q4 18	2018
Organic net revenue growth	1.7%	3.7%



CONSULTING SERVICES United States

millions (C\$)



Growth in Mining and WaterPower & Dams sectors due to improving commodity prices.

Growth in Water in California and Texas.

Growth in Community Development in southeast and northeast regions.

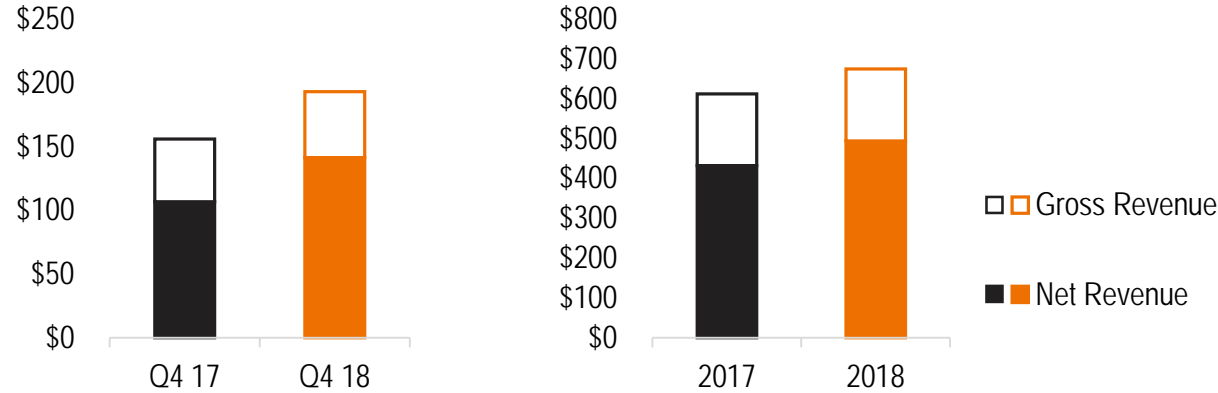
	Q4 18	2018
Organic net revenue growth	4.0%	2.5%



Normandy Dam
Normandy, Tennessee

CONSULTING SERVICES Global

millions (C\$)



Growth in Environmental Services and Infrastructure.
 Growth in Latin American Mining sector.
 Growth in Water in Australia and New Zealand.

	Q4 18	2018
Organic net revenue growth	5.4%	5.4%



Recent project wins

\$4.2 billion
gross revenue backlog



■ United States ■ Canada ■ Global

- Core Area Wastewater Treatment Program, a \$765-million wastewater treatment project in Victoria, British Columbia.
- Réseau express métropolitain, an automated electric light-rail transit project—one of the most important public transit projects in Quebec.
- Long Island Rail Road, a 9.8-mile addition to one of the busiest commuter rail lines in North America.
- Chicago Transit's Red and Purple Modernization Project, which will modernize four rail stations in the second busiest transit system in the United States.
- \$80-million five-year drainage and roads contract extension with Ashghal, Qatar's public works authority.
- Appointment as sole strategic planning partner for Yorkshire Water's AMP 7 work.

2019 Outlook

Overall

Organic gross revenue growth in the low- to mid-single digits

Long-term target of 15% net revenue CAGR

Strong backlog and client relationships

Canada

Slowing economic growth because of volatile oil prices and rising interest rates

Slowdown in housing due to higher interest rates and tighter mortgage restrictions

United States

Solid consumer spending and business investment

Slightly increasing interest rates

Continued strong employment

Uncertainty due to the ongoing trade dispute between the United States and China

Global

Expand our global footprint and benefit from healthy GDP growth

Less volatility in commodity prices that impact our Mining and Environmental Services

Expect Brexit to create uncertainty in the United Kingdom and Europe

2019 Targets

Consulting Services

53% 2019 TARGET RANGE 55%

Gross margin as % of net revenue

41% 2019 TARGET RANGE 43%

Administrative and marketing
expenses as % of net revenue

11% 2019 TARGET RANGE 13%

EBITDA as % of net revenue ⁽¹⁾

At or above 5% 2019 TARGET

Net income as % of net revenue

Acquisition Strategy



Q&A



Appendix

	2018				
	Year ended Dec 31, 2018	Q4 18	Q3 18	Q2 18	Q1 18
<i>(In millions of Canadian dollars)</i>					
Continuing operations					
Gross revenue	4,283.8	1,083.9	1,086.6	1,092.0	1,021.3
Less subconsultant and other direct expenses	928.6	248.3	239.1	228.7	212.5
Net revenue	3,355.2	835.6	847.5	863.3	808.8
Direct payroll costs	1,540.0	386.2	392.2	393.3	368.3
Gross margin	1,815.2	449.4	455.3	470.0	440.5
Administrative and marketing expenses	1,438.2	382.7	346.2	361.3	348.0
Depreciation of property and equipment	50.1	13.0	12.6	12.4	12.1
Amortization of intangible assets	65.0	15.1	14.7	15.9	19.3
Net interest expense	28.7	9.3	7.4	6.7	5.3
Other net finance expense	5.7	2.1	1.6	0.4	1.6
Share of income from joint ventures and associates	(1.6)	(0.4)	(0.5)	(0.4)	(0.3)
Foreign exchange loss (gain)	2.7	1.1	0.1	(0.6)	2.1
Other (income) expense	0.1	2.7	(0.9)	(3.9)	2.2
Income before income taxes and discontinued operations	226.3	23.8	74.1	78.2	50.2
Income taxes	55.0	2.6	18.2	20.6	13.6
Net income from continuing operations	171.3	21.2	55.9	57.6	36.6
Net (loss) income from discontinued operations, net of tax	(123.9)	(32.2)	(73.9)	(18.0)	0.2
Net income (loss)	47.4	(11.0)	(18.0)	39.6	36.8

As required under IFRS 5, results previously reported for Construction Services operations have been restated as discontinued operations for the current and comparative periods and separated from the Company's continuing operations. The following table presents operating results restated for discontinued operations for the years ended December 31, 2018, and December 31, 2017, and for the quarters included in 2018 and 2017.

Appendix

	2017				
	Year ended Dec 31, 2017	Q4 17	Q3 17	Q2 17	Q1 17
<i>(In millions of Canadian dollars)</i>					
Continuing operations					
Gross revenue	4,028.7	977.4	1,000.9	1,046.3	1,004.1
Less subconsultant and other direct expenses	854.9	227.5	213.4	214.6	199.4
Net revenue	3,173.8	749.9	787.5	831.7	804.7
Direct payroll costs	1,411.9	330.9	349.9	373.0	358.1
Gross margin	1,761.9	419.0	437.6	458.7	446.6
Administrative and marketing expenses	1,407.7	350.7	338.6	356.2	362.2
Depreciation of property and equipment	52.2	12.7	13.2	13.7	12.6
Amortization of intangible assets	73.0	16.7	17.6	16.9	21.8
Net interest expense	25.9	5.5	6.5	6.3	7.6
Other net finance expense	7.1	0.5	3.0	1.4	2.2
Share of (income) loss from joint ventures and associates	(2.7)	0.1	(0.8)	(1.3)	(0.7)
Foreign exchange (gain) loss	(0.2)	0.3	(0.5)	(1.0)	1.0
Gain on disposition of a subsidiary	(54.6)	-	-	(54.6)	-
Other (income) expense	(10.0)	(6.1)	(2.6)	(0.5)	(0.8)
Income before income taxes and discontinued operations	263.5	38.6	62.6	121.6	40.7
Income taxes	166.5	23.0	19.3	22.5	101.7
Net income (loss) from continuing operations	97.0	15.6	43.3	99.1	(61.0)
Net income (loss) from discontinued operations, net of tax	-	(4.4)	2.9	(1.5)	3.0
Net income (loss)	97.0	11.2	46.2	97.6	(58.0)

As required under IFRS 5, results previously reported for Construction Services operations have been restated as discontinued operations for the current and comparative periods and separated from the Company's continuing operations. The following table presents operating results restated for discontinued operations for the years ended December 31, 2018, and December 31, 2017, and for the quarters included in 2018 and 2017.

Appendix

Reconciliation of Previously Reported Adjusted Measures

	2018				2017		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<i>(In millions of Canadian dollars, except per share amounts)</i>							
Adjusted net income - continuing operations	51.2	62.0	47.9	39.7	57.1	58.4	41.5
Add back (deduct) after-tax:							
Corporate costs	2.8	2.4	3.2	5.9	(0.8)	3.7	2.3
Change in adjusted definition	14.4	1.3	(1.3)	0.3	0.1	-	0.1
Previously disclosed adjusted net income - Consulting Services ⁽¹⁾	68.4	65.7	49.8	45.9	56.4	62.1	43.9
Previously disclosed adjusted diluted EPS - Consulting Services ⁽¹⁾	0.60	0.58	0.44	0.40	0.50	0.54	0.37

⁽¹⁾ Stantec's continuing operations now solely comprises its Consulting Services business. Certain corporate costs, which have historically been allocated to Construction Services, are now required to be classified with continuing operations. As such, the table above reconciles adjusted net income and adjusted diluted earnings per share presented for continuing operations to previously disclosed results for Consulting Services. The results for Q1 17, Q4 17, and Q1 18 have not previously been disclosed. The results for Q1 17, Q4 17, and Q1 18 have not previously been disclosed. The change in adjusted definition for Q3 18 included a \$10.0 million transition tax recovery adjustment.

Appendix

Net Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	2018	2017	Total Change	Change Due to Acquisitions (Divestitures)	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	1,087.8	1,027.6	60.2	22.5	n/a	37.7	3.7%
United States	1,774.4	1,714.7	59.7	21.6	(4.5)	42.6	2.5%
Global	493.0	431.5	61.5	38.9	(0.8)	23.4	5.4%
Total	3,355.2	3,173.8	181.4	83.0	(5.3)	103.7	
Percentage growth (retraction)			5.7%	2.6%	(0.2%)	3.3%	

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2018	Quarter Ended Dec 31, 2017	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	268.9	252.5	16.4	12.0	n/a	4.4	1.7%
United States	425.5	390.8	34.7	3.8	15.1	15.8	4.0%
Global	141.2	106.6	34.6	29.0	(0.2)	5.8	5.4%
Total	835.6	749.9	85.7	44.8	14.9	26.0	
Percentage growth			11.4%	6.0%	1.9%	3.5%	

n/a = not applicable

Gross Revenue was accounted for using IAS 11 in 2017 and IFRS 15 in 2018.

Gross Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Year ended Dec 31, 2018	Year ended Dec 31, 2017	Total Change	Change Due to Acquisitions (Divestitures)	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	1,275.8	1,191.7	84.1	24.1	n/a	60.0	5.0%
United States	2,334.6	2,226.0	108.6	34.6	(5.2)	79.2	3.6%
Global	673.4	611.0	62.4	49.0	2.7	10.7	1.8%
Total	4,283.8	4,028.7	255.1	107.7	(2.5)	149.9	
Percentage growth			6.3%	2.6%	0.0%	3.7%	

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2018	Quarter Ended Dec 31, 2017	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	319.2	300.0	19.2	13.3	n/a	5.9	2.0%
United States	572.0	521.7	50.3	4.2	20.7	25.4	4.9%
Global	192.7	155.7	37.0	33.0	(0.2)	4.2	2.7%
Total	1,083.9	977.4	106.5	50.5	20.5	35.5	
Percentage growth			10.9%	5.2%	2.1%	3.6%	

Appendix

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	2018	2017	Total Change	Change Due to Acquisitions (Divestitures)	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	724.0	714.8	9.2	27.8	(1.0)	(17.6)	(2.5%)
Energy & Resources	507.5	401.5	106.0	17.5	(2.8)	91.3	22.7%
Environmental Services	480.3	454.1	26.2	5.1	1.2	9.9	2.2%
Infrastructure	926.0	899.1	26.9	30.7	(2.8)	(1.0)	(0.1%)
Water	717.4	704.3	13.1	(8.1)	0.1	21.1	3.0%
Total	3,355.2	3,173.8	181.4	83.0	(5.3)	103.7	
Percentage growth (retraction)			5.7%	2.6%	(0.2%)	3.3%	

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2018	Quarter Ended Dec 31, 2017	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Buildings	174.8	165.0	9.8	6.0	3.8	-	0.0%
Energy & Resources	128.7	106.8	21.9	8.6	0.8	12.5	11.7%
Environmental Services	125.4	110.8	14.6	8.6	2.4	3.6	3.2%
Infrastructure	235.4	208.0	27.4	20.1	4.9	2.4	1.2%
Water	171.3	159.3	12.0	1.5	3.0	7.5	4.7%
Total	835.6	749.9	85.7	44.8	14.9	26.0	
Percentage growth			11.4%	6.0%	1.9%	3.5%	

Comparative figures have been reclassified due to a realignment of several business lines and to conform to the presentation adopted for the current period. Gross revenue was accounted for using IAS 11 in 2017 and IFRS 15 in 2018.

Gross Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	2018	2017	Total Change	Change Due to Acquisitions (Divestitures)	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	944.5	898.1	46.4	42.8	(1.3)	4.9	0.5%
Energy & Resources	591.7	479.2	112.5	19.0	(3.1)	96.6	20.2%
Environmental Services	682.8	678.1	4.7	19.9	4.6	(19.8)	(2.9%)
Infrastructure	1,157.6	1,090.4	67.2	33.3	(3.5)	37.4	3.4%
Water	907.2	882.9	24.3	(7.3)	0.8	30.8	3.5%
Total	4,283.8	4,028.7	255.1	107.7	(2.5)	149.9	
Percentage growth			6.3%	2.6%	0.0%	3.7%	

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2018	Quarter Ended Dec 31, 2017	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	235.0	212.4	22.6	6.5	5.3	10.8	5.1%
Energy & Resources	157.1	130.5	26.6	9.7	0.7	16.2	12.4%
Environmental Services	185.3	175.9	9.4	10.8	3.7	(5.1)	(2.9%)
Infrastructure	292.2	251.1	41.1	21.8	6.4	12.9	5.1%
Water	214.3	207.5	6.8	1.7	4.4	0.7	0.3%
Total	1,083.9	977.4	106.5	50.5	20.5	35.5	
Percentage growth			10.9%	5.2%	2.1%	3.6%	

Appendix

Reconciliation of Non-IFRS Financial Measures

	Year Ended December 31		Quarter Ended December 31	
	2018	2017	2018	2017
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	171.3	97.0	21.2	15.6
Add back:				
Income taxes	55.0	166.5	2.6	23.0
Net interest expense	28.7	25.9	9.3	5.5
Depreciation and amortization	115.1	125.2	28.1	29.4
EBITDA from continuing operations	370.1	414.6	61.2	73.5
Add back (deduct) pre-tax:				
Lease exit liability	12.8	-	12.8	-
Past service cost for pensions	4.7	-	4.7	-
Unrealized loss on investments held for self-insured liabilities	4.9	-	5.5	-
Rebalancing of investments held for self-insured liabilities	-	(6.7)	-	(6.7)
Gain on disposition of a subsidiary	-	(54.6)	-	-
Adjusted EBITDA from continuing operations	392.5	353.3	84.2	66.8

See the Definitions section of Stantec's 2018 Annual Report for a discussion of non-IFRS measures used. Construction Services operations are presented as discontinued operations. This table has been updated to include only continuing operation results.

note 1: The add back of intangible amortization relates only to the amortization from intangible assets acquired through acquisitions and excludes the amortization of software purchased by Stantec. For the quarter ended December 31, 2018, this amount is net of tax of \$1.4 (2017 - \$1.8). For the year ended December 31, 2018, this amount is net of tax of \$10.6 (2017 - \$13.6).

	Year Ended December 31		Quarter Ended December 31	
	2018	2017	2018	2017
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	171.3	97.0	21.2	15.6
Add back (deduct) after-tax:				
Amortization of intangible assets related to acquisitions (note 1)	28.8	43.0	7.3	11.0
Lease exit liability (note 2)	9.4	-	9.4	-
Past service cost for pensions (note 3)	3.5	-	3.5	-
Unrealized loss on investments held for self-insured liabilities (note 4)	3.6	-	4.1	-
US tax reform (note 5)	(10.0)	18.6	-	18.6
Tax expense on reorganization of legal entities (note 5)	-	3.2	-	(0.4)
Rebalancing of investments held for self-insured liabilities (note 6)	-	(5.1)	-	(5.1)
Gain on disposition of a subsidiary (note 7)	-	40.0	-	-
Adjusted net income from continuing operations	206.6	196.7	45.5	39.7
Weighted average number of shares outstanding - basic	113,733,118	113,991,507	113,142,068	113,951,072
Weighted average number of shares outstanding - diluted	113,822,318	114,352,920	113,158,097	114,498,677
Adjusted earnings per share from continuing operations				
Adjusted earnings per share - basic	1.82	1.73	0.40	0.35
Adjusted earnings per share - diluted	1.82	1.72	0.40	0.35

note 2: For the quarter and year ended December 31, 2018, this amount is net of tax of \$3.4 (2017 - nil).

note 3: For the quarter and year ended December 31, 2018, this amount is net of tax of \$1.2 (2017 - nil).

note 4: For the quarter ended December 31, 2018, this amount is net of tax of \$1.4 (2017 - nil). For the year ended December 31, 2018, this amount is net of tax of \$1.3 (2017 - nil).

note 5: Refer to the Income Taxes section for further details.

note 6: For the quarter and year ended December 31, 2018, this amount is net of tax of nil (2017 - \$1.6).

note 7: This relates to the sale of Innovyze in 2017.