



W e l c o m e



# Investor Day 2023



## 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 Stantec's Q3 2023 MD&A which is available on SEDAR, EDGAR, and [stantec.com](http://stantec.com).



# Agenda

<b>Welcome &amp; safety moment</b>	Jess Nieuwerk
<b>Reflecting on our journey</b>	Gord Johnston
<b>Strategic plan</b>	
Strategic vision, global trends	Gord Johnston
Organic growth and innovation	John Take
People	Asifa Samji
Excellence	Stu Lerner
Financial outlook	Theresa Jang
<b>Q&amp;A</b>	
<b>Break</b>	
<b>Business presentation</b>	
Infrastructure	Susan Walter
Buildings	Leonard Castro
Energy & Resources	Mario Finis
Water	Ryan Roberts
Environmental Services	Susan Reisbord
Global	Cath Schefer
<b>Q&amp;A</b>	
<b>Closing comments</b>	Gord Johnston



**Gord Johnston**  
President & CEO



**Theresa Jang**  
EVP & CFO



**John Take**  
EVP & CGIO



**Stu Lerner**  
EVP & COO - North America



**Asifa Samji**  
EVP & CPIO



**Cath Schefer**  
EVP & COO - Global



**Steve Fleck**  
EVP, CPO



**Susan Walter**  
EVP, Infrastructure



**Leonard Castro**  
EVP, Buildings



**Mario Finis**  
EVP, Energy & Resources



**Ryan Roberts**  
EVP, Water



**Susan Reisbord**  
EVP, Environmental Services

**12:00pm**

Lunch

**12:30pm**

Project showcases open



# SaferTogether

These four states...



can cause or contribute to these critical errors...



...which increase the risk of injury.

- Rushing
- Frustration
- Fatigue
- Complacency

- Eyes not on task
- Mind not on task
- Line-of-fire
- Balance/traction/grip



Source: safestart.com



# Investor Day 2023

# Reflecting on our journey

# 20123



**STN**  
TSX · NYSE

Stantec's  
Strategic Plan



**22K → 28K**

Designers, engineers, scientists, and project managers innovating across the world

## Key achievements since 2019<sup>1</sup>

**33%**

Net revenue growth

**44%**

Adjusted EBITDA growth

**82%**

Adjusted EPS growth

**>100 bps**

Expansion of our adjusted EBITDA margin by 100 basis points

**>200 bps**

Adjusted net income, as a percentage of net revenue, has grown by over 200 basis points

**275% TSR<sup>2</sup>**

Delivered a total shareholder return of 275% over this period as our market cap reached **\$11.1 billion**

1. Data is for the period December 31, 2019 - TTM Q3 2023

2. As at November 29, 2023





## Global leader in sustainability

# #1

**Ranked most sustainable  
corporation among industry peers**

*2023 Corporate Knights Global 100*

# 60%

Our clean revenue is \$3.4 billion,  
representing 60% of gross revenue\*

# We do what is right

\*Gross revenue related to United Nations Sustainable Development Goals for the year ended December 31, 2022.

# Purpose driven growth



2024/2026



**STN**  
TSX · NYSE

Stantec's  
Strategic Plan



# Our strategic plan is guided by

**THE IMPACT WE MAKE IN THE WORLD**

**Empowering people to rise to the world's greatest challenges**

**THE UNIQUE VALUE WE DELIVER**

**With every community, we redefine what's possible**

**THE BUSINESS VISION**

**The success of our clients, communities, and people worldwide is our greatest ambition**

**THE BELIEFS WE SHARE THAT GUIDE OUR BEHAVIOR**

**We put people first  
We are better together  
We do what is right  
We are driven to achieve**





# Global trends

**Climate change  
and resource  
security**

**Demographic,  
social and  
urbanization  
changes**

**Incremental  
and breakthrough  
technology**

**Geopolitical,  
economic and  
industry shifts**



# Climate change and resource security

This trend is driving industry development and catalyzing actions

- Global energy transition, adaptation and electrification
- Loss of biodiversity and ecosystem stress
- Extreme weather and food security

## Stantec's opportunities

- Making existing systems cleaner and greener
- Improving system performance
- Reducing system inefficiencies





## Demographic, social and urbanization changes

This trend is evolving the fabric of infrastructure, buildings and urban form

- Peoples' shifting priorities
- Demographic and generational change
- Societal values: equity, equality and diversity
- Health and well-being

### Stantec's opportunities

- Community benefit services
- Talent attraction driven by best-in-class culture
- Focus on equity, diversity and the client experience, which sets us apart and aligns us to client demands





# Incremental and breakthrough technology

This trend is driven by Industry 5.0 and the digital revolution

- Changing how we solve problems and make decisions
- Driving significant demand for critical minerals and major technology shifts for electrification

## Stantec's opportunities

- Evolved commercial models and automated, connected, smart solutions
- Leading artificial intelligence and machine learning decision intelligence
- Leading digital ecosystems and integration efforts





## Geopolitical, economic and industry shifts

This trend is driven by the increased frequency of global disruption

- De-globalization
- Near-shoring
- Global food and energy security
- Labor and material constraints, cost escalation and affordability concerns

### Stantec's opportunities

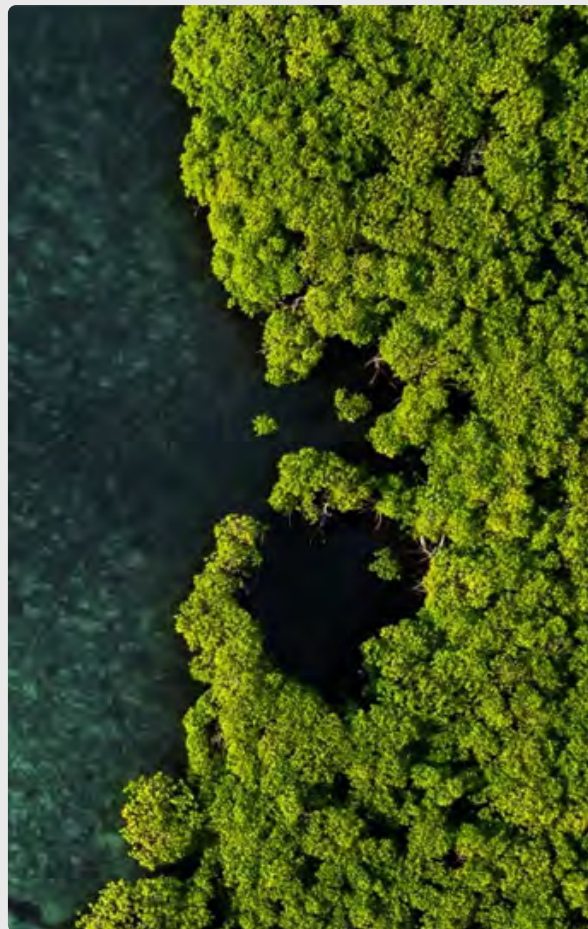
- Advanced manufacturing and food processing and production
- Advisory services to reinvent supply chains and provide energy security solutions



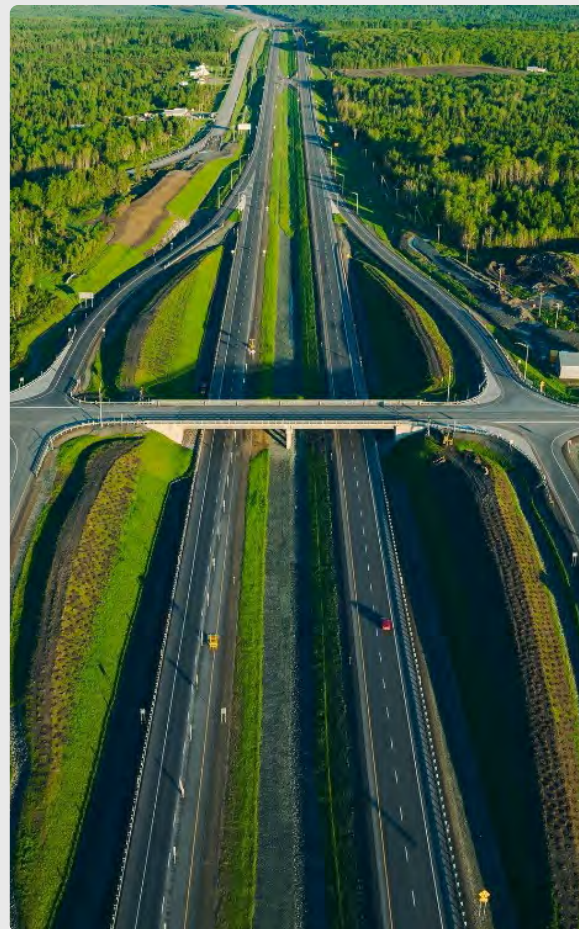




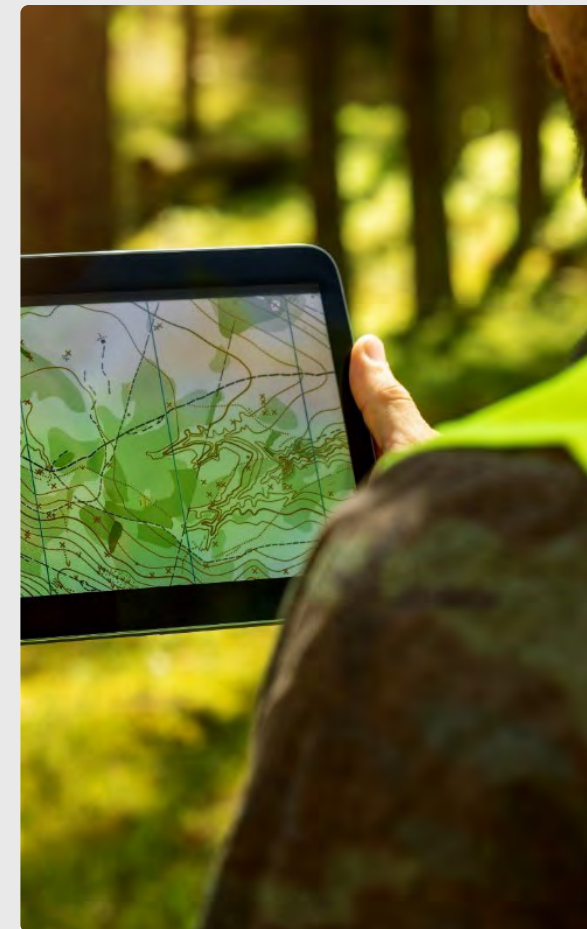
# Strategic Growth Initiatives



**Climate Solutions**



**Communities and Infrastructure of the Future**



**Future Technology**

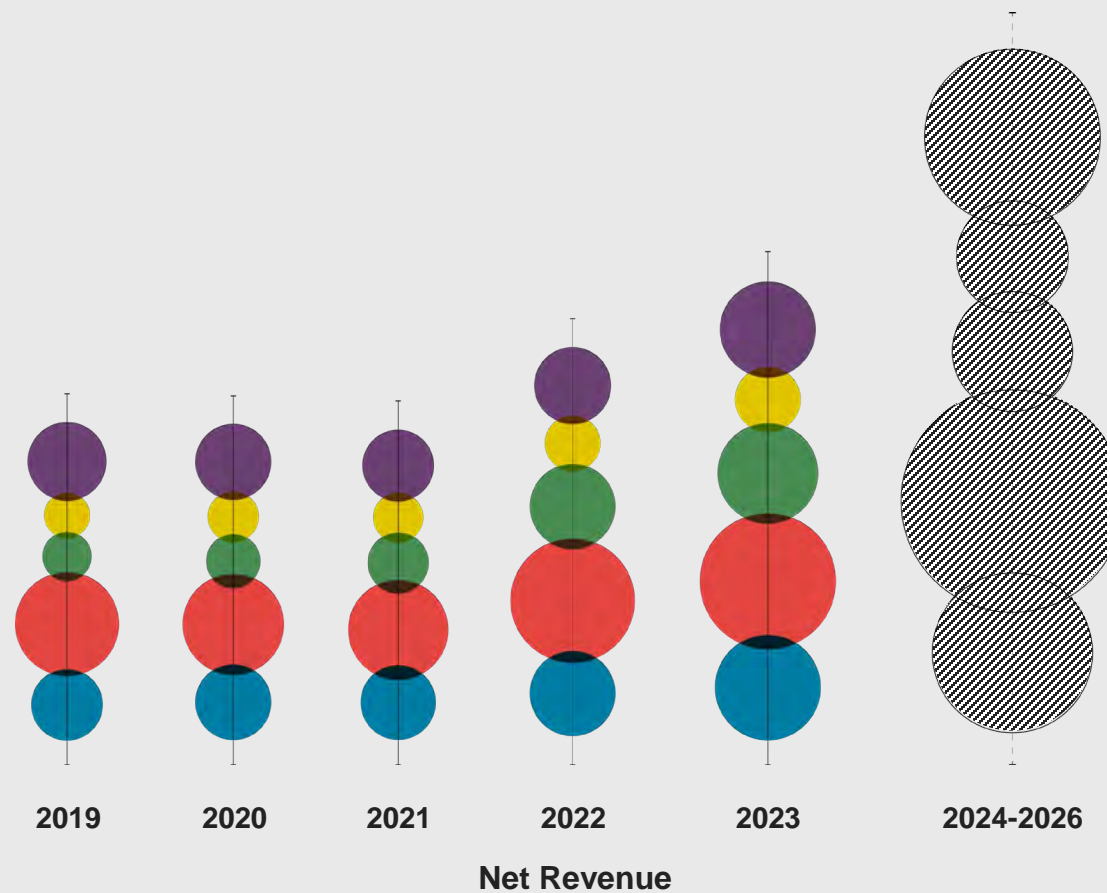


# Business mix

## We truly are better together

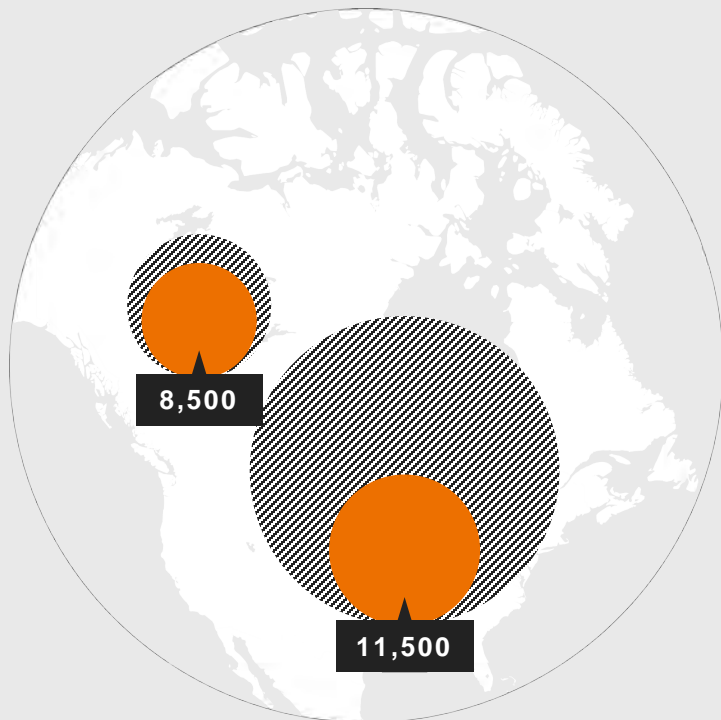
Stantec's strategic advantage and differentiator is our ability to work across and integrate all five of our BOUs to offer clients unparalleled solutions to their most difficult challenges.

- Buildings
- Energy & Resources
- Environmental Services
- Infrastructure
- Water
- Future

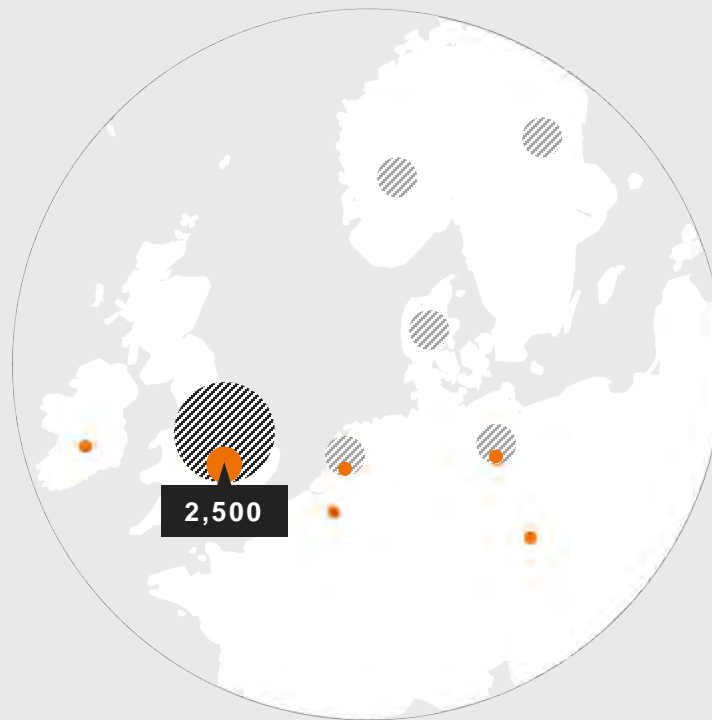




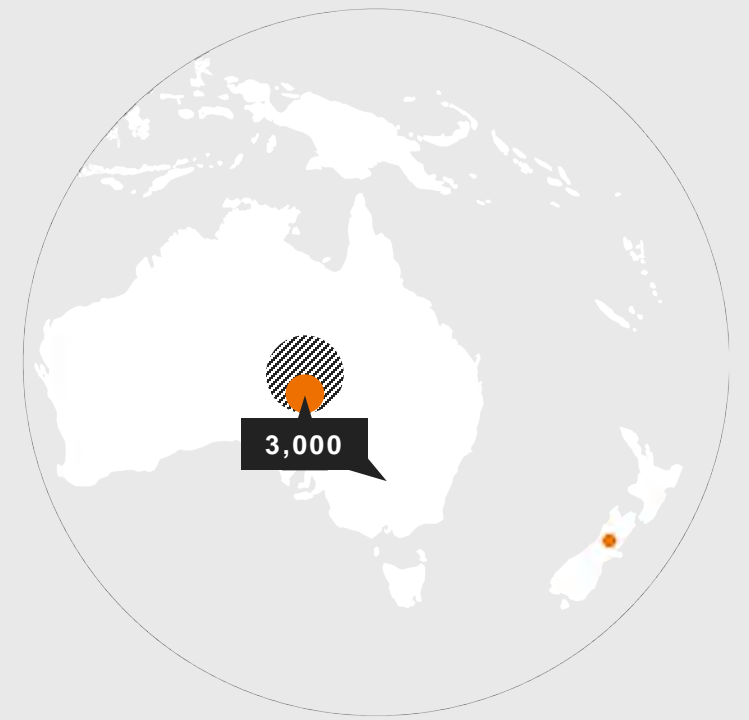
# Geographic strategy



Canada & US



UK & Europe



Australia & New Zealand



# Acquisitions remain a key growth strategy

Strategic and synergistic growth means being prudent and highly disciplined in our acquisition philosophy

## OUR CRITERIA

- Strong cultural alignment
- Compelling strategic fit
- Accretive to earnings and cash flow



**We will deliver  
superior financial  
performance through  
our greatest asset –  
our people**



# Organic Growth

24/26



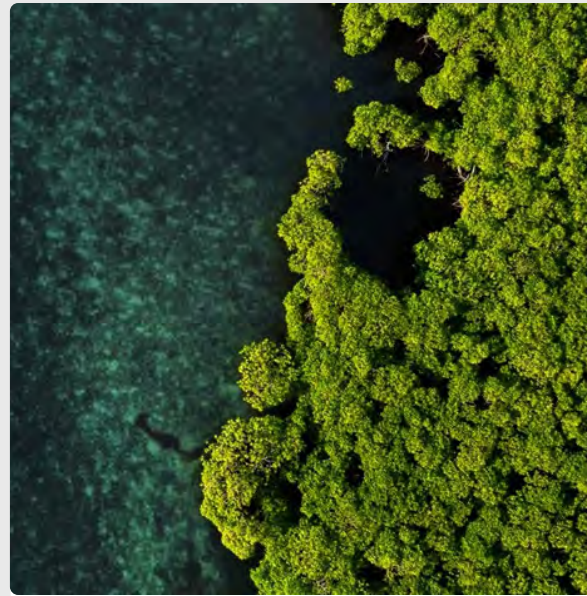
STN  
TSX · NYSE

Stantec's  
Strategic Plan



# Strategic Growth Initiatives

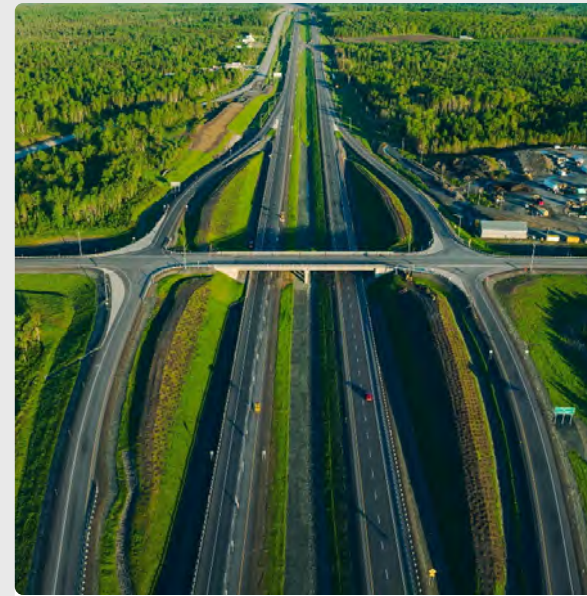
We are aligning with high-growth markets



## Climate Solutions

2024-2026 (USD)

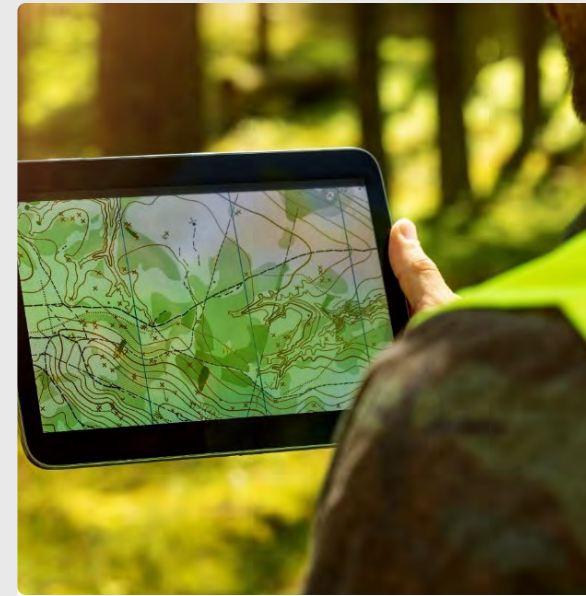
**TAM** **\$8.4T<sup>1</sup>**  
↓  
**SAM** **\$290B**



## Communities and Infrastructure of the Future

2024-2026 (USD)

**TAM** **\$6.6T<sup>2</sup>**  
↓  
**SAM** **\$280B**



## Future Technology<sup>4</sup>

2024-2026 (USD)

**TAM** **\$8.9T<sup>3</sup>**  
↓  
**SAM** **\$560B**

- 1. McKinsey & Company and International Monetary Fund
- 2. S&P Global Market Intelligence Global Construction
- 3. IDC Worldwide Digital Transformation Spending Guide, October 2023
- 4. Future Technology refers to forecast Digital Transformation (DX) technology spending



# Climate Solutions

We will support the creation of more equitable, sustainable and resilient infrastructure

## Grow

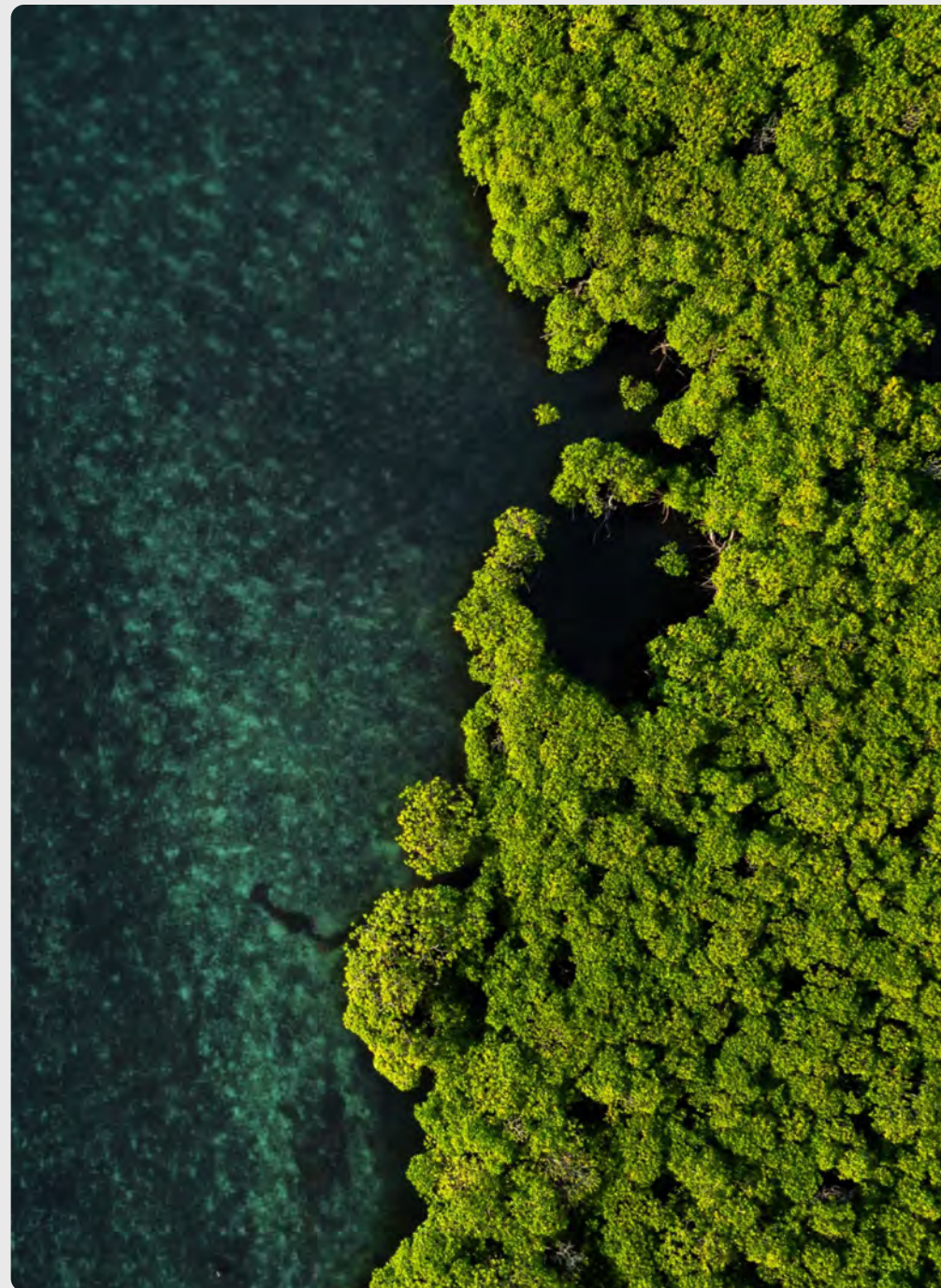
Grow a broad range of innovative solutions to help our clients achieve net-zero goals

## Protect

Protect assets from climate change impacts

## Create

Create increased resilience through adaptation and hazard event pre-planning and management







# Communities and Infrastructure of the Future

Our subject matter experts are working to define what is possible

## Re-imagining

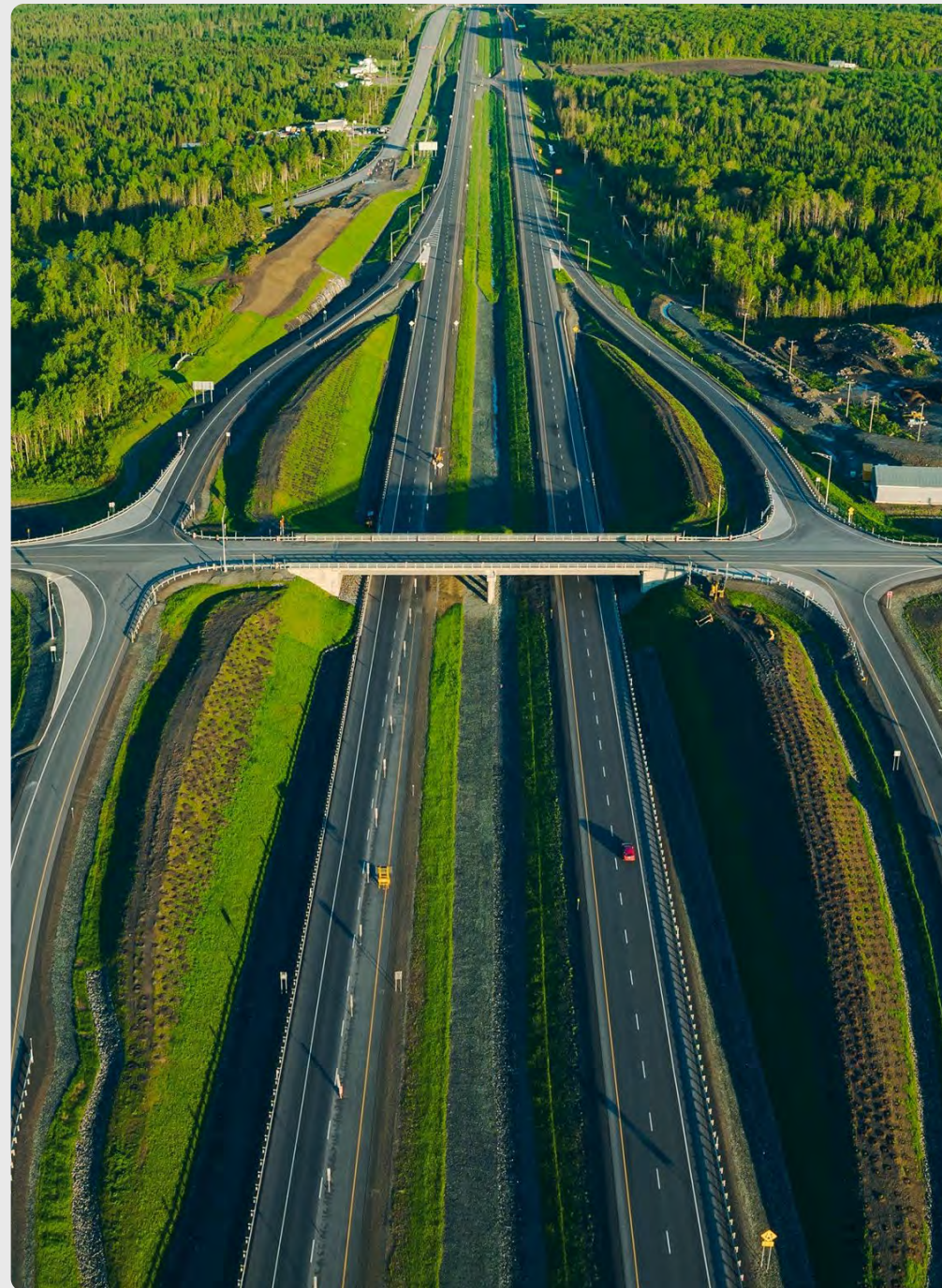
Re-imagining and creating new approaches to buildings and infrastructure

## Embracing

Embracing technology

## Integrating

Integrating natural and built environments to create a sense of place





# Future Technology

We will further embrace physical and digital technologies

## Enable

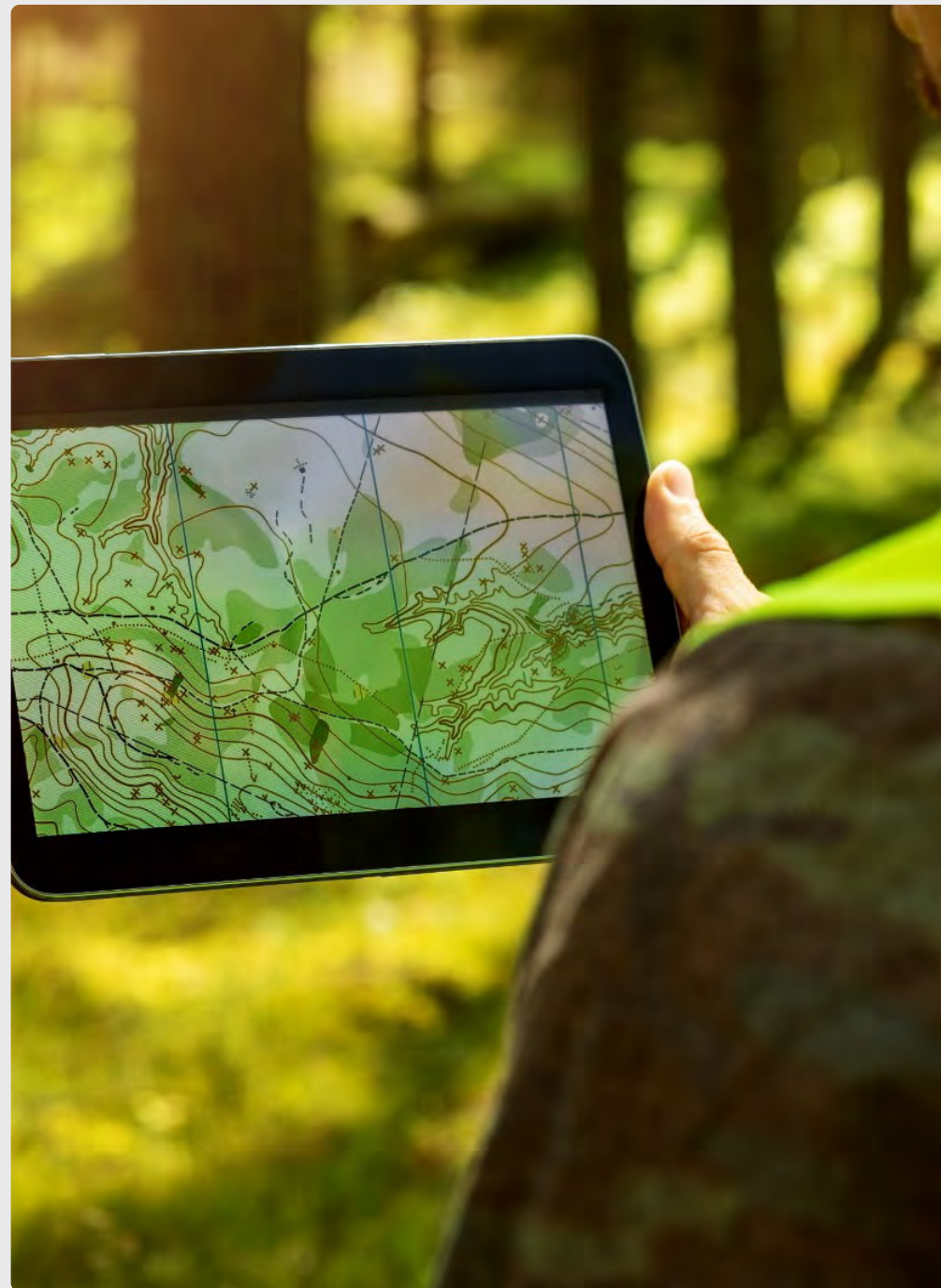
Enable new service offerings

## Drive

Drive efficiencies in how we deliver work

## Create

Create new avenues for growth





## Innovating with artificial intelligence

Improve internal efficiencies, both in support functions and project delivery

Exploring use of AI models on Stantec data to improve efficiencies

Increase efficiency and net revenue generated per employee



# The Stantec difference: cross-collaboration

Our people and how we collaborate across  
our businesses and geographies sets us apart





# Top 25 clients

## 15-20%

Top 25 clients represent 15-20% of our total net revenue

## 20 year

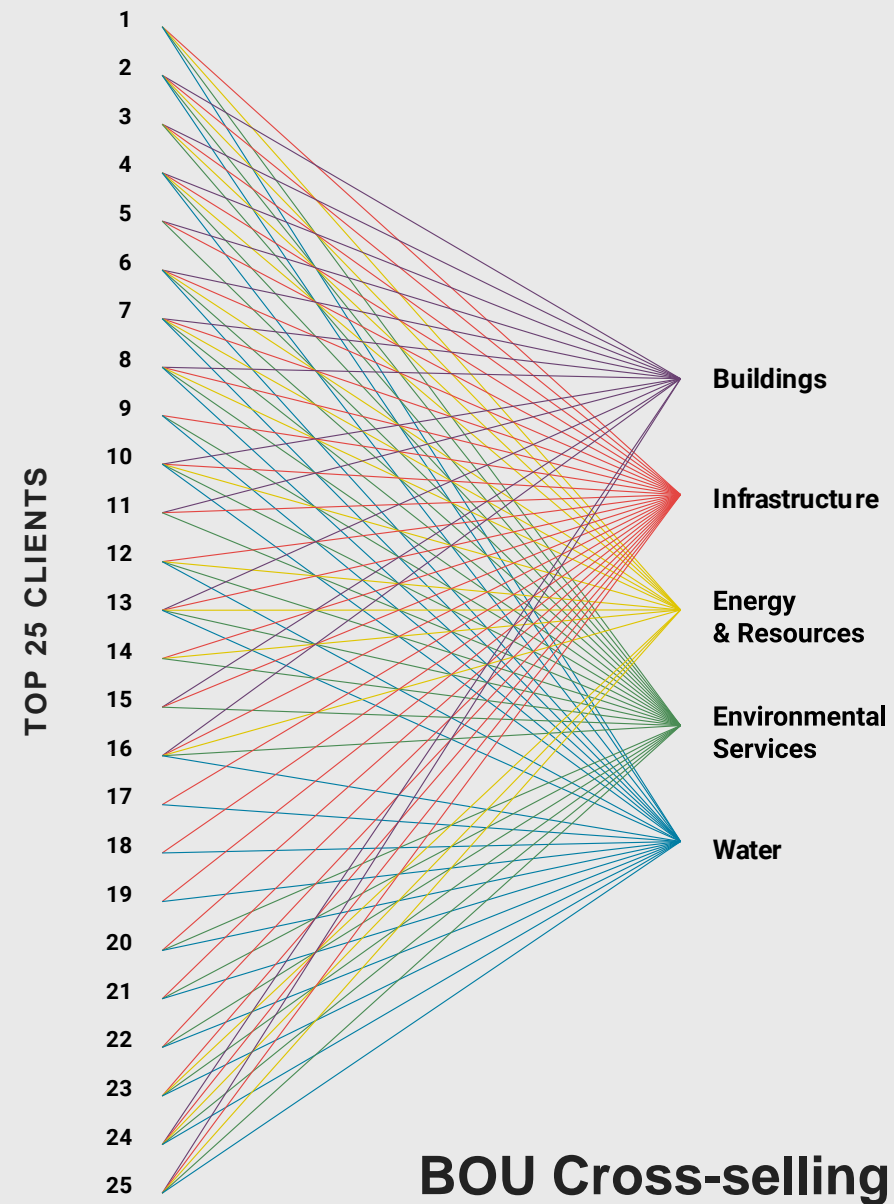
We have served our Top 25 clients for an average of 20 years

## 100%

of our Top 25 clients are served by 2 or more BOUs

## >50%

of our Top 25 clients are served by 4 or more BOUs





# Growth programs

## **Strategic pursuits**

Systematic winning of transformational competitive pursuits

## **Key accounts**

Building loyal clients in volume and variety of services

## **Corporate campaigns**

Achieving mature market share



# Other sources of organic net revenue

## **Innovating**

Innovating and improving digital channels like artificial intelligence and machine learning tools

## **Leveraging**

Leveraging our expertise to expand digital applications

## **Expanding**

Expanding upstream higher-end advisory services



**Organic net revenue  
growth target**

**>7%  
CAGR**

2024–2026 net revenue organic CAGR







DESIGN  
WITH  
COMMUNITY  
IN  
MIND

# People

# 2025



# Best-in-class culture

Our employee engagement has steadily risen despite challenges brought on by the global pandemic

Our people said they have more optimism about career opportunities at Stantec than ever before

And our people told us that inclusion, safety and our ESG leadership are our top three strengths



## The employer of choice

# 2x

Currently hiring at nearly twice our pre-pandemic rate

# ↓ 2%

Voluntary turnover decreased 2% in one year – we have one of the lowest voluntary turnover rates among peers of our size

# 50%

of our Board of Directors and 43% of our C-Suite team are women

# 3%

Pay gap for women is 3% in North America\*

# 1%

Pay gap for minorities is 1% in North America\*

\*On a compa-ratio basis



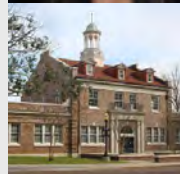


# Securing the next generation of top talent



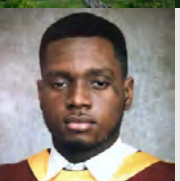
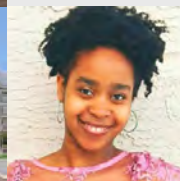
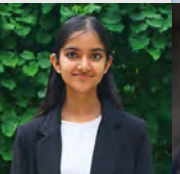
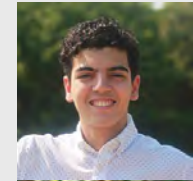
**\$800K**

Since being established in 2021, the Stantec Equity & Diversity Scholarship has awarded \$800,000 in scholarships



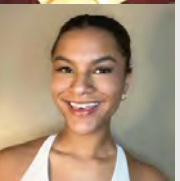
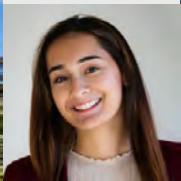
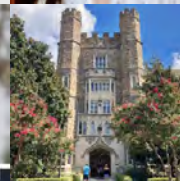
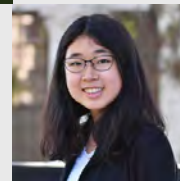
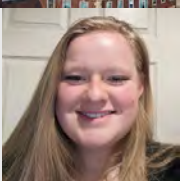
**116**

Stantec Equity & Diversity Scholarship recipients pursuing STEAM studies around the world



**25**

internships for award recipients since 2021



**600+**

interns across the globe in 2023





# A recognized industry leader

# #1

Ranked most sustainable  
corporation among industry peers

*2023 Corporate Knights Global 100*

# Top 50

STEM Workplace for  
Indigenous Professionals

*2020 – 2023 AISES*

# Gender Equality Index

*2023 Bloomberg*

# World's Top Female Companies

*2022 Forbes*

# America's Best Employers for Diversity

*2022 Forbes*

# Candidate Experience Award Winner

*2019 – 2023 CandE*



# Creating impactful experiences for our people

## We are listening and we will focus on

- Total well-being
- Flexibility
- Learning and opportunities for growth
- Global exposure for employees

## STANTEC'S TARGETS (end of 2026)

### Pay equity

Close the gap in North America and expand the analysis outside of North America

### <12%

Voluntary turnover on a rolling twelve-month average

### Top quartile

Achieve top quartile employee engagement and ID&E score





# Excellence

2025



**STN**  
TSX · NYSE

Stantec's  
Strategic Plan



# Stantec's global standing

With our scale, influence  
and position

## We drive

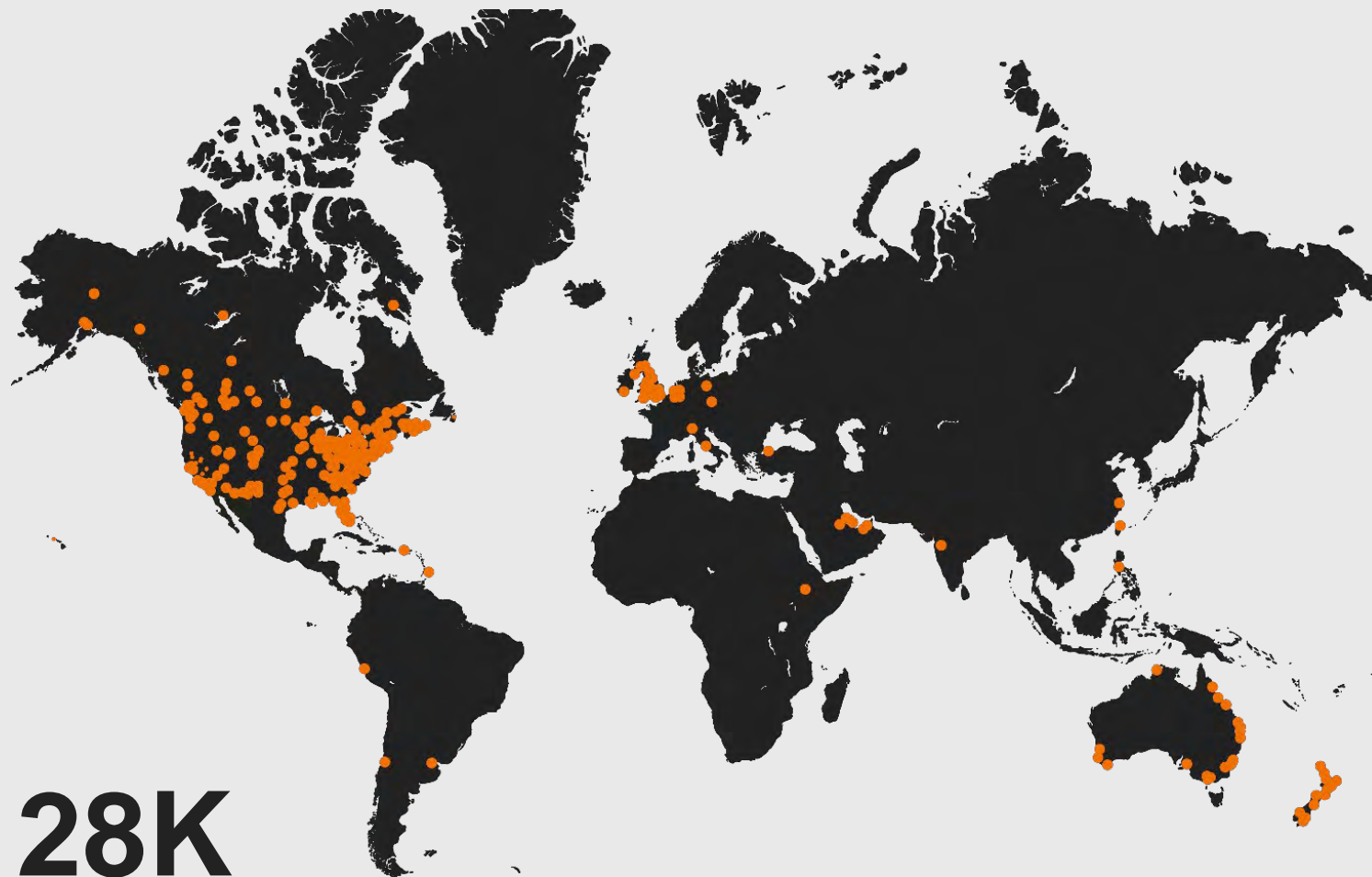
- Operational efficiencies
- Industry standards

## We are

- Preeminent partner
- Global employer of choice

## We perform

- Projects of any size,  
scope and location



# 28K

experts across  
the globe





# Project pursuit and initiation

## Stantec's opportunities

- Project selection
- Increase self-performed work/ reduce use of subconsultants by 5-10%
- Enhanced negotiation leverage and risk management

## Outcomes

- Price projects more competitively
- Increase our win/capture rates
- Growth of net revenue and margins





# Project execution

## Stantec's opportunities

- Optimize use of technology
  - Parametric design
  - Artificial intelligence
- Accelerate integration of sustainable solutions
- Leverage Pune & Manila

## Outcomes

- Increased efficiency/productivity
- Better outcomes for the environment
- 24/7 cost efficient workforce
- Project margin expansion





# Operations efficiency optimization

## Stantec's opportunities

- Virtual tools and labor sharing
- Global technical expertise
- Investing in technology and global systems
- Streamlining processes
- Growing Pune and Manila functional support team
- Hybrid work model

## Outcomes

- Reduced inefficiencies
- Increased utilization
- Reduced admin & marketing costs
- Operating leverage
- Real estate optimization – 10% reduction





# Advancing towards operational net zero

## STANTEC'S COMMITMENT

Validated by Science-Based Target initiative

Reduce absolute scope 1 and 2 GHG emissions 47% by 2030 from a 2019 base year

Reduce absolute scope 3 GHG business travel emissions by 47% within the same timeframe

# 47% reduction





# Operational excellence targets

## STANTEC'S TARGETS (end of 2026)

**5-10%**

Reduce sub-consultants by 5-10%, which will grow our net revenue

**>2x**

We aim to double our Pune and Manila operations

**53-56%**

Deliver project margins in the range of 53-56%

**50 bps**

Reduce overhead costs by 50 bps as a % of net revenue

**10%**

Reduce real estate footprint by a further 10% which will drive \$0.10/share cost savings



# Financial outlook

2024/2025



**STN**  
TSX · NYSE

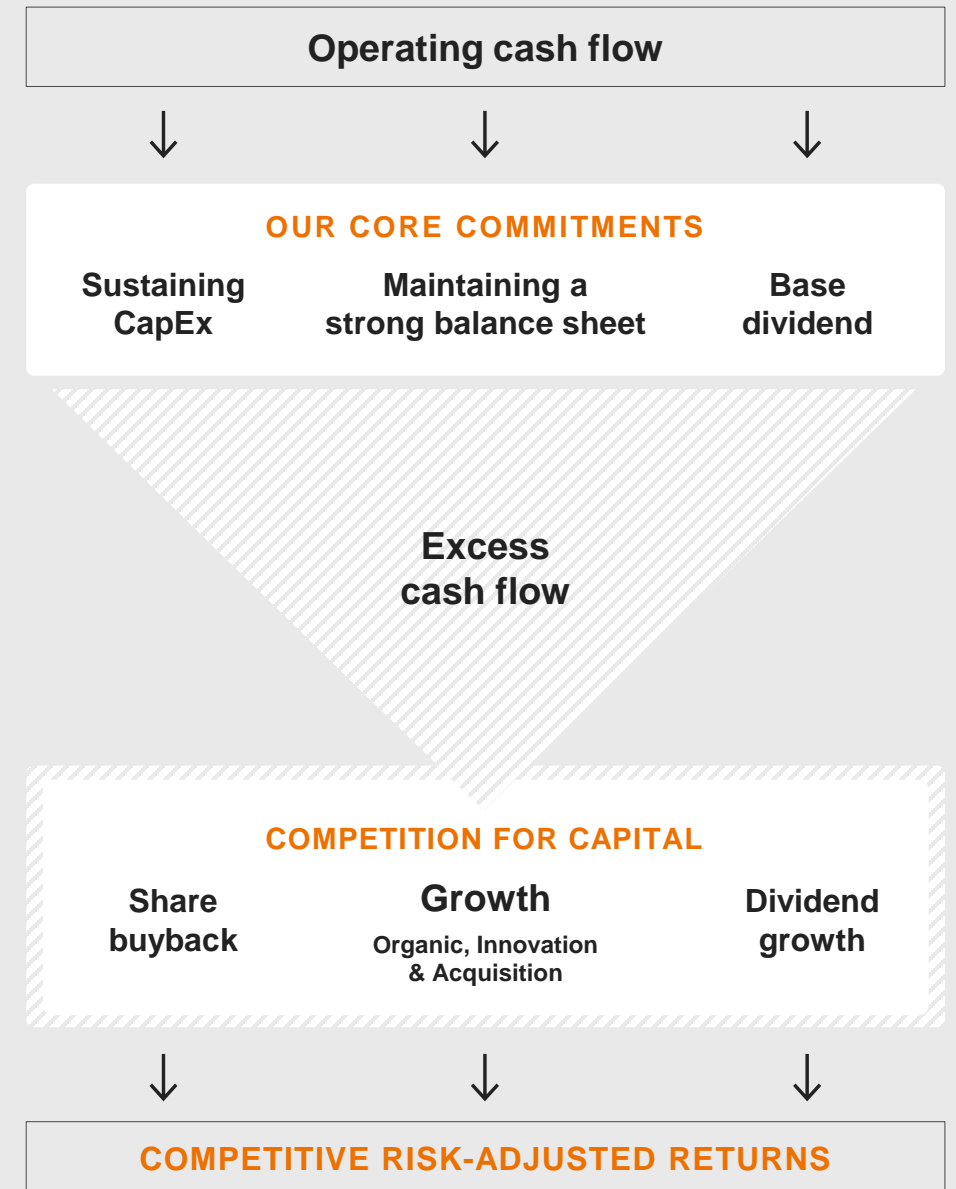
Stantec's  
Strategic Plan



# Our ongoing capital allocation philosophy

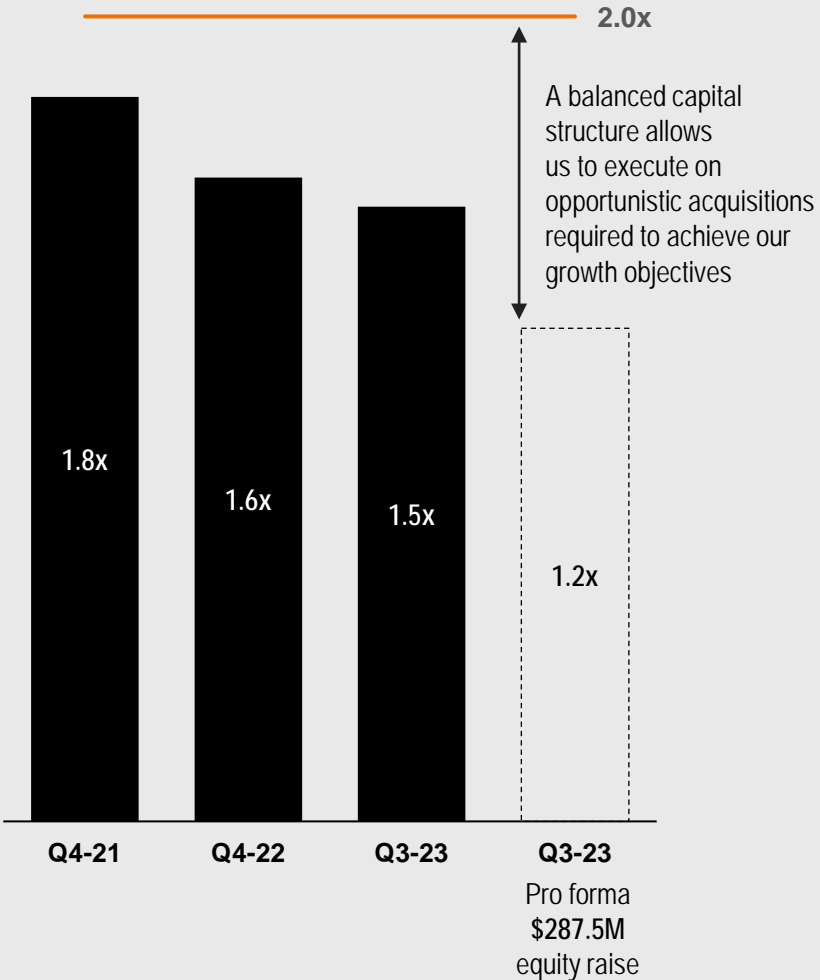
## Focused on

- Funding our core commitments
- Delivering a competitive risk-adjusted return





### Net debt to adjusted EBITDA



# Strong cash flow continues to provide balance sheet flexibility

Committed to 1.0x – 2.0x internal leverage range and investment-grade credit rating

Will maintain current capital allocation strategy, which will allow for continued organic and inorganic growth

November 2023 equity raise provides additional capacity to fund acquisitions





# 3-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, project margin, adjusted EBITDA, adjusted net income, adjusted diluted EPS, adjusted ROIC, and free cash flow are non-IFRS and other financial measures (discussed in the Definition section of our Q3 2023 Management's Discussion and Analysis).



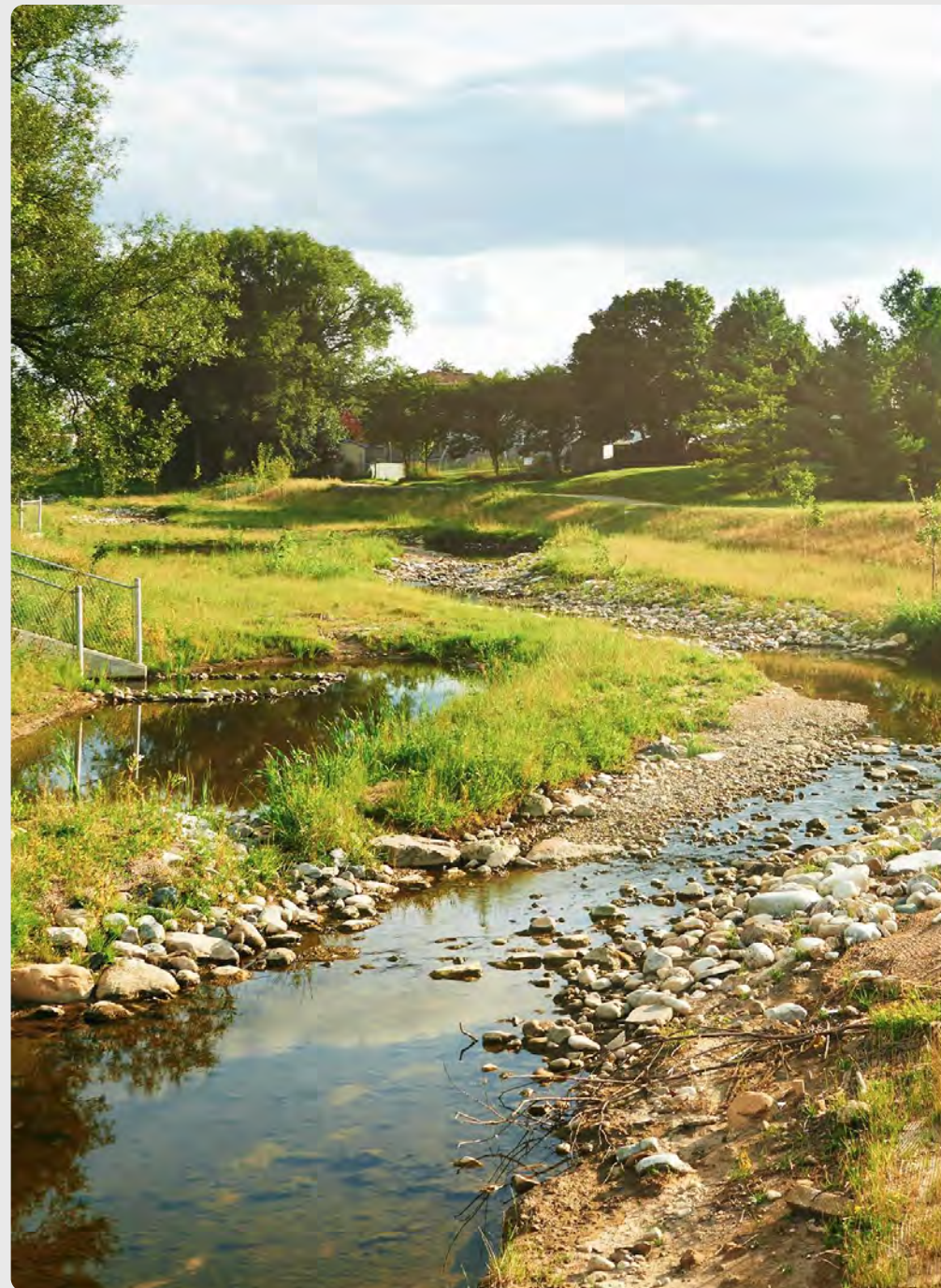


# 2024 Revenue Outlook

## NET REVENUE GROWTH

<b>Organic</b>	mid to high single digit
Canada	mid single digit
US	mid to high single digit
Global	mid to high single digit
<b>Acquisition</b>	low single digit
<b>FX</b>	neutral

**7-12%  
growth**





# 2024 Financial Targets

## STANTEC'S TARGETS

## 2024 ANNUAL RANGE

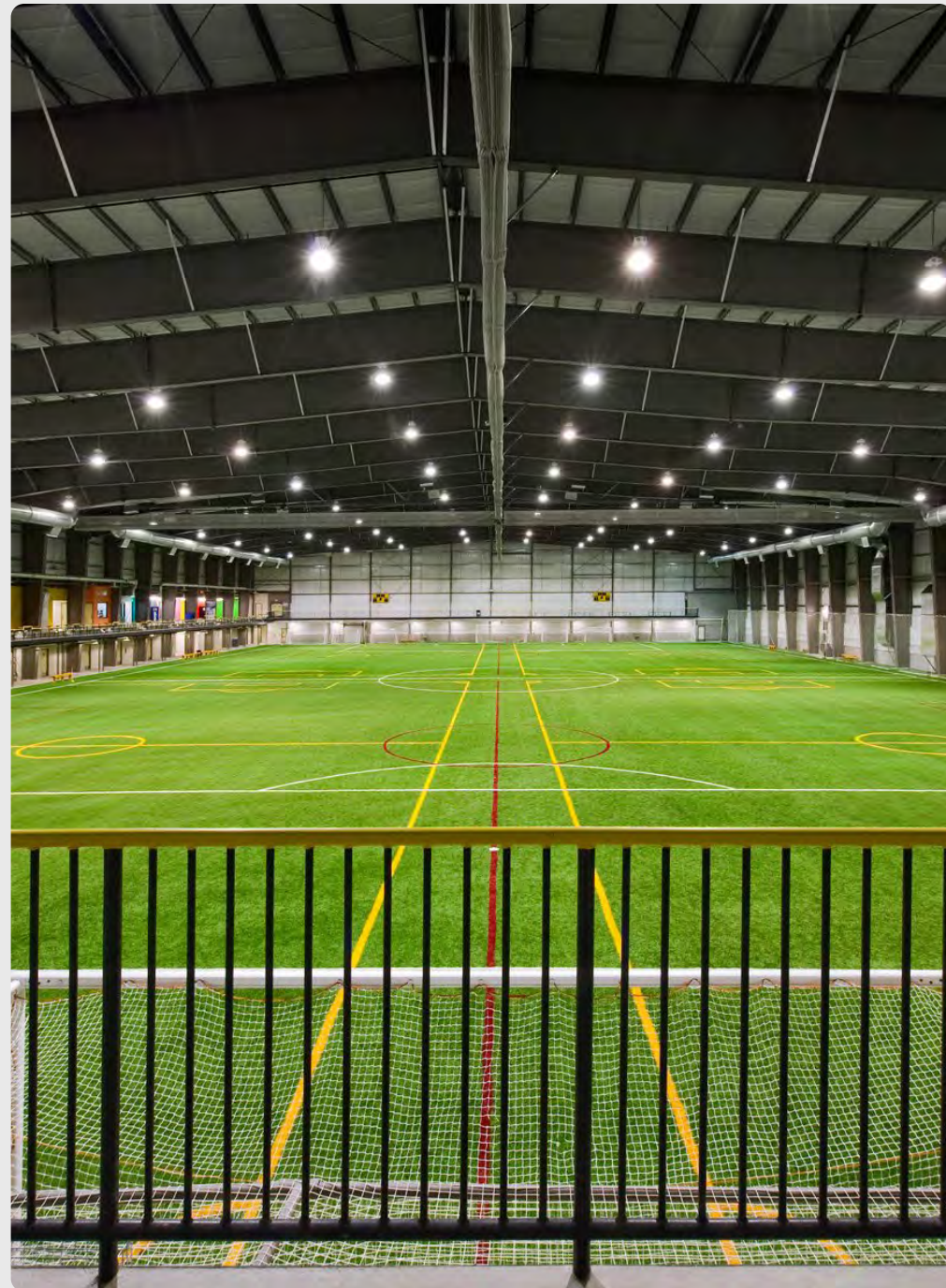
Net revenue growth	<b>7% to 12%</b>
Adjusted EBITDA as % of net revenue <sup>1</sup>	<b>16.2% to 17.2%</b>
Adjusted net income as % of net revenue <sup>1</sup>	<b>above 8.0%</b>
Adjusted diluted EPS growth <sup>1</sup>	<b>11% to 16%</b>
Adjusted ROIC <sup>1</sup>	<b>above 11.0%</b>

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 Q3 2023 Management's Discussion and Analysis).



# Our Financial Targets

- ✓ **Ambitious**
- ✓ **Achievable**
- ✓ **Purpose driven**



# Purpose driven growth



2024/2026



**STN**  
TSX · NYSE

Stantec's  
Strategic Plan



## Our long-term vision

**Organic growth**  
**Acquisitions**

**>\$10B**

Double our net revenue

**Operational efficiency**  
**Digital tools**  
**High value centers**

**20%**

Expand our Adjusted  
EBITDA margin to 20%





# Questions?



# Break





# Infrastructure

2  
4  
2  
0



**STN**  
TSX NYSE

Stantec's  
Strategic Plan



# Infrastructure at a glance

## 6,700

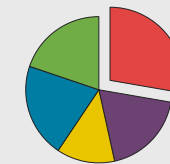
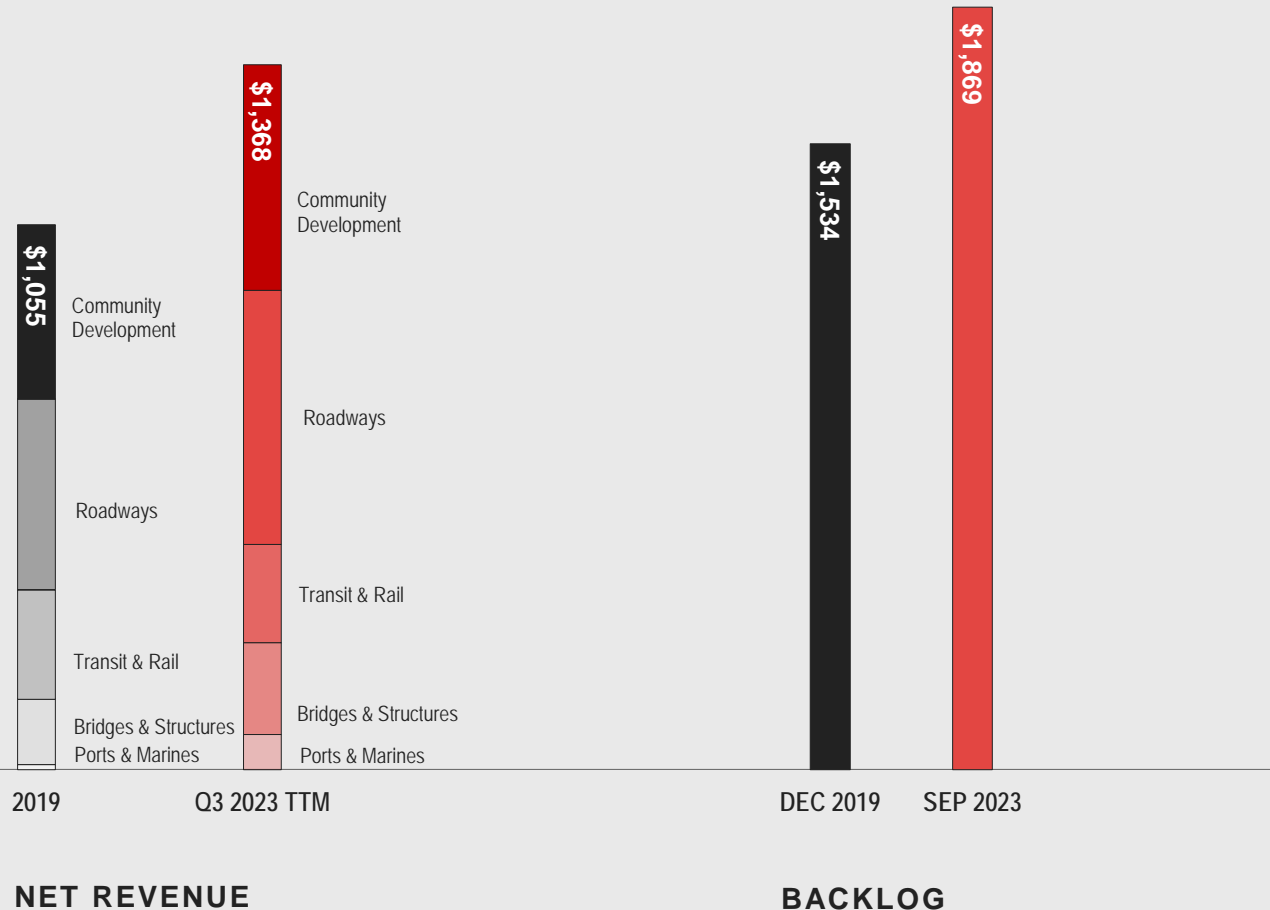
Infrastructure experts

## #8

Top 500 Design Firms by Sector – Transportation  
*ENR May 2023*

## #10

Top 20 Firms in Combined Design and CM-PM Professional Services Revenue  
*ENR July 2023*



## 28%

of Q3 2023 TTM total net revenue



## 13%

of 2022 Aligned SDG Revenue

## 30%

increase in net revenue since 2019



# Foundation for growth

Ability to handle a diverse range infrastructure projects, large and small

We are a global company with a local presence

Strong reputation due to high profile project delivery



# Strategic Growth Opportunities



**US and Canada  
Federal Government  
Programs**



**Program Management  
and Construction  
Management Services  
(PMCM)**



**Smart(ER) Mobility**



# Federal Government

## MARKET

**US\$1.2T**

in US federal funding through IIJA to States, counties, and municipalities

**\$38.6B<sup>2</sup>**

Canada Defense to support NORAD

**>US\$300B<sup>1</sup>**

has been released by the US Federal Government

**>US\$10B<sup>3</sup>**

in new infrastructure to support global security in Indo-Pacific region

**US\$5.9T**

ASCE's Infrastructure 2021 Report Card puts total Infrastructure needs at \$5.9T over ten years

## STANTEC'S TARGETS

**8%**

annual growth through 2026 on State and local level transportation

**13%**

annual growth through 2026 on Federal programs

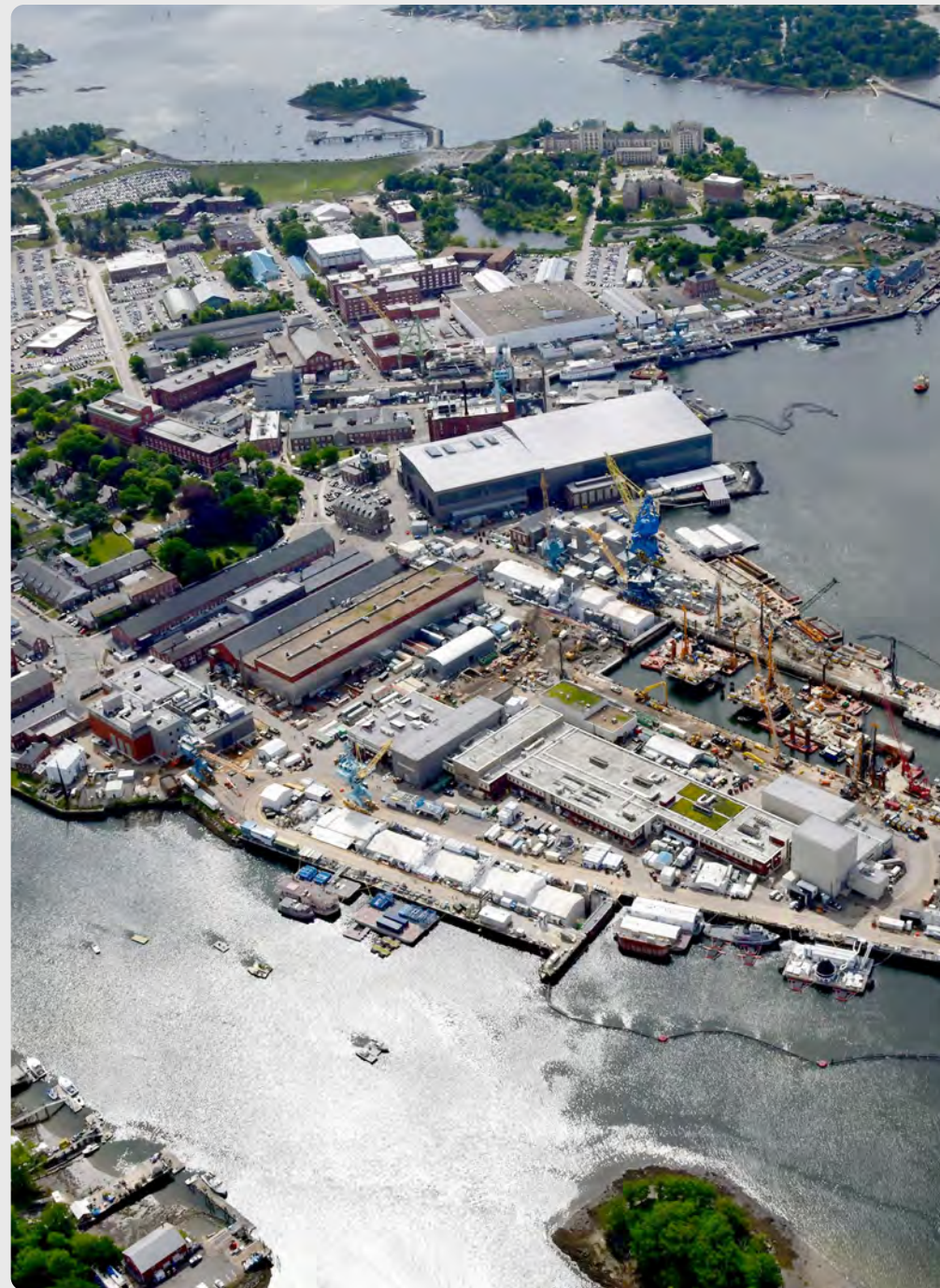
### Stantec's response

State and local program growth

- Approximately 15% of IIJA funding mapped to our Transportation key clients
- Transportation business can support roughly 1% of those US market needs

Federal program expansion

- Flood risk reduction programs in major metropolitan areas
- Global security facilities in Indo-Pacific region
- Leverage Community Development planners and civil engineers across this client portfolio



1. 2023 State of the AEC Industry - AEC Advisors 2. Government of Canada 3. US Federal Government Pacific Deterrence Initiative, Department of Defense FY 2024



# Program Management Construction Management (PMCM)

## MARKET

**US\$26.2B**

2022 Global CPM fees  
according to *ENR*

## STANTEC'S TARGET

**30%**

annual growth through 2026

## Stantec's response

- De-risk profile by expanding project delivery to include more PMCM and less APD
- Built a dedicated team to expand our PMCM business in transit, aviation, water, energy, health care and advanced manufacturing





# Smart(ER) Mobility

*ER = Equity and Resilience*

## MARKET

# \$50B<sup>1</sup>

US and Canada federal funding for zero emission transportation

## STANTEC'S TARGET

# 8%

annual growth through 2026

## Stantec's response

- Integrating technology through a lens of Equity and Resilience
- Developed proprietary tool Zero Emission Vehicle Decide to help clients with electric vehicle transition
- IIJA-type funding allows us to design and build smart corridors, smart buildings, neighborhoods, and cities



1. US Federal Government, May 2022 (US\$30B) + Government of Canada (\$8B) = ~\$50B



# The next generation of infrastructure

Unprecedented funding and urgency due to climate change impacts

Stantec has diverse technical skills and strong local presence

We will lead generational infrastructure improvements that will enhance communities around the world





# Buildings

24/20

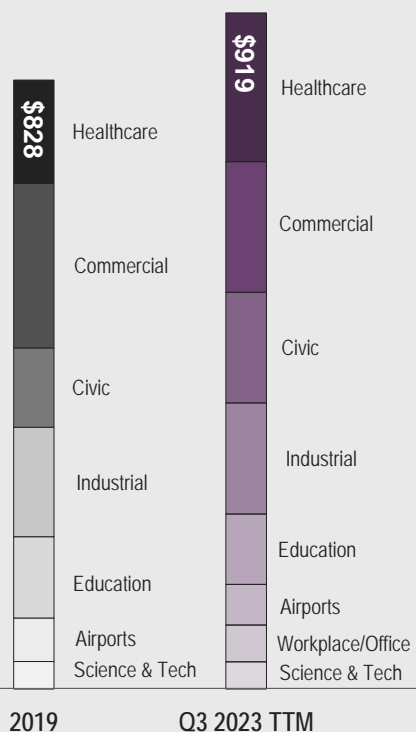


# Buildings at a glance

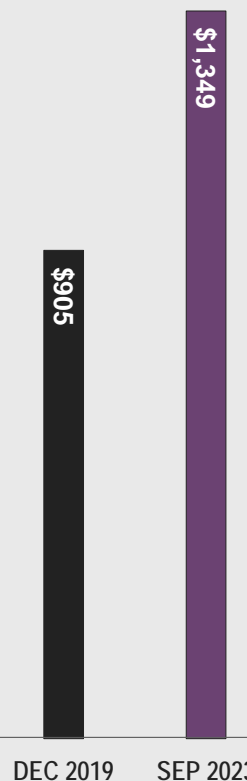
**4,400**  
Buildings experts

**#1**  
Top 115 Architecture  
Engineering Firms  
*Buildings Design +  
Construction*  
October 2023

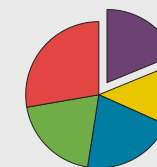
**#2**  
Top Architecture  
& Design Firms *Modern  
Healthcare* May 2023



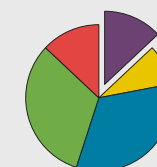
**NET REVENUE**



**BACKLOG**



**19%**  
of Q3 2023 TTM  
total net revenue



**13%**  
of 2022 Aligned  
SDG Revenue

**11%**  
increase in net  
revenue since 2019



# Investing in our future

Integrate artificial intelligence and computational tools

Grow our non-labor revenue by investing in opportunities to leverage technology and data

Deliver smarter buildings that improve the human experience and gain efficiencies



# Strategic Growth Opportunities



**Repurposing and Adaptive Reuse**



**Advanced Manufacturing**



**Mission Critical Facilities and Data Centers**



# Repurposing and Adaptive Reuse

## MARKET

**US\$35B<sup>1</sup>**

DOT funding programs unlocked lending for transit-oriented developments, including conversions of existing properties to affordable housing

## STANTEC'S TARGET

**6%**

annual growth through 2026

## Stantec's response

- Launched strategic asset planning service to aid clients in determining highest and best use of a singular or portfolio of existing assets
- Exclusive partnership with Autodesk to develop embodied carbon tool as part of Forma software, to help our integrated design team rapidly present to clients the impact of embodied carbon
- Integrating Stantec's North American funding/grant writing team expertise to aid clients in securing available government funding and incentives
- Stantec's leadership role in crafting ASHRAE/ICC Standard 240P a new code standard for Evaluating Greenhouse Gas and Carbon Emissions in Building Design, Construction, and Operations





# Advanced Manufacturing

## MARKET

**US\$614B<sup>1</sup>**

in private investment for semiconductors, batteries/EV, clean energy manufacturing, and biomanufacturing has been announced in the US since 2021

## STANTEC'S TARGET

**10%**

annual growth through 2026

## Stantec's response

- Developed integrated design team offering for environmental site assessments and permitting, building design, power and infrastructure upgrades, and water/ wastewater treatment facilities to streamline design effort and rapidly develop new domestic manufacturing campuses
- Strategic partnerships with development parties and contracting community
- Leverage North American market expertise and position to grow global revenue via Top Client relationships





# Mission Critical Facilities and Data Centers

## MARKET

# US\$49B<sup>1</sup>

McKinsey report estimates that global spending on the construction of data centers will grow by 10% each year and is expected to reach \$49 billion by 2030

## STANTEC'S TARGET

# 15%

annual growth through 2026

## Stantec's response

- Acquisition of ESD
  - a 300-person US Engineering firm with >50% revenue in MCF sector
  - making us a top 5 data center design firm according to Building Design & Construction
- New sector leadership established to grow market share, resources, brand within MCF space
- Grow revenue across top client accounts; all sectors require data center and mission critical facilities
- Grow global opportunities via trusted client relationships with our top technology clients





# Stantec's Buildings business is diverse and resilient

Spans 9 sectors,  
20 disciplines,  
125 global locations

Innovative design and  
technology solutions  
that enrich the human  
experience

Collaborating allows  
us to uncover unique  
design solutions that  
deliver growth and value





# Energy & Resources

2024/2025



# Energy & Resources at a glance

## 3,140

Energy & Resource experts

## #3

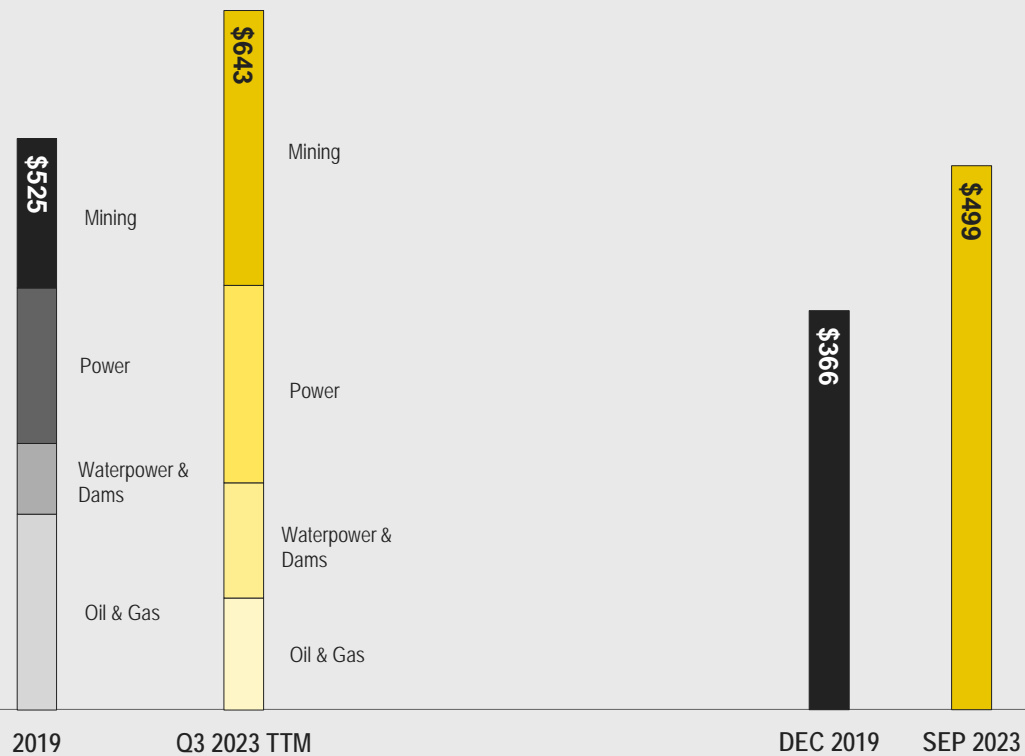
Top Design Firms in Mining *ENR July 2023*

## #3

Top Design Firms in Dams & Reservoirs *ENR July 2023*

## #3

Top Design Firms in Power, Hydro Plants *ENR July 2023*



**13%**  
of Q3 2023 TTM total net revenue



**9%**  
of 2022 Aligned SDG Revenue

**22%**  
increase in net revenue since 2019



# A compelling outlook

The climate change imperative

Addressing energy and resource security

50% of Energy & Resources revenue aligned with SDGs



# Strategic Growth Opportunities



**Critical Minerals  
and Metals**



**Renewable Energy  
and Energy Storage**



**Grid Modernization  
and Expansion**



# Critical Minerals and Metals

## MARKET

# US\$220B<sup>1</sup>

Needed to meet critical mineral demand by 2030

# 2x<sup>2</sup>

Market for these materials has doubled in the last 5 years

## STANTEC'S TARGET

# 15%

annual growth through 2026

## Stantec's response

- Partnering across Stantec operations globally to be single source provider to our major global clients
- Beyond client's mining needs, we are helping with renewable energy projects, electric vehicles and sustainable water practices as they move to net zero
- Bringing together our ESG, mining and renewable energy services in one sustainable solution



Northern Goldfields Solar Project in Australia, named the ESG Project of the Year by *Mining Magazine*





# Renewable Energy and Energy Storage

## MARKET

**2x<sup>1</sup>**

increase in electricity demand by 2050

**90%<sup>2</sup>**

Renewables will account for 90% of global electricity expansion in next five years

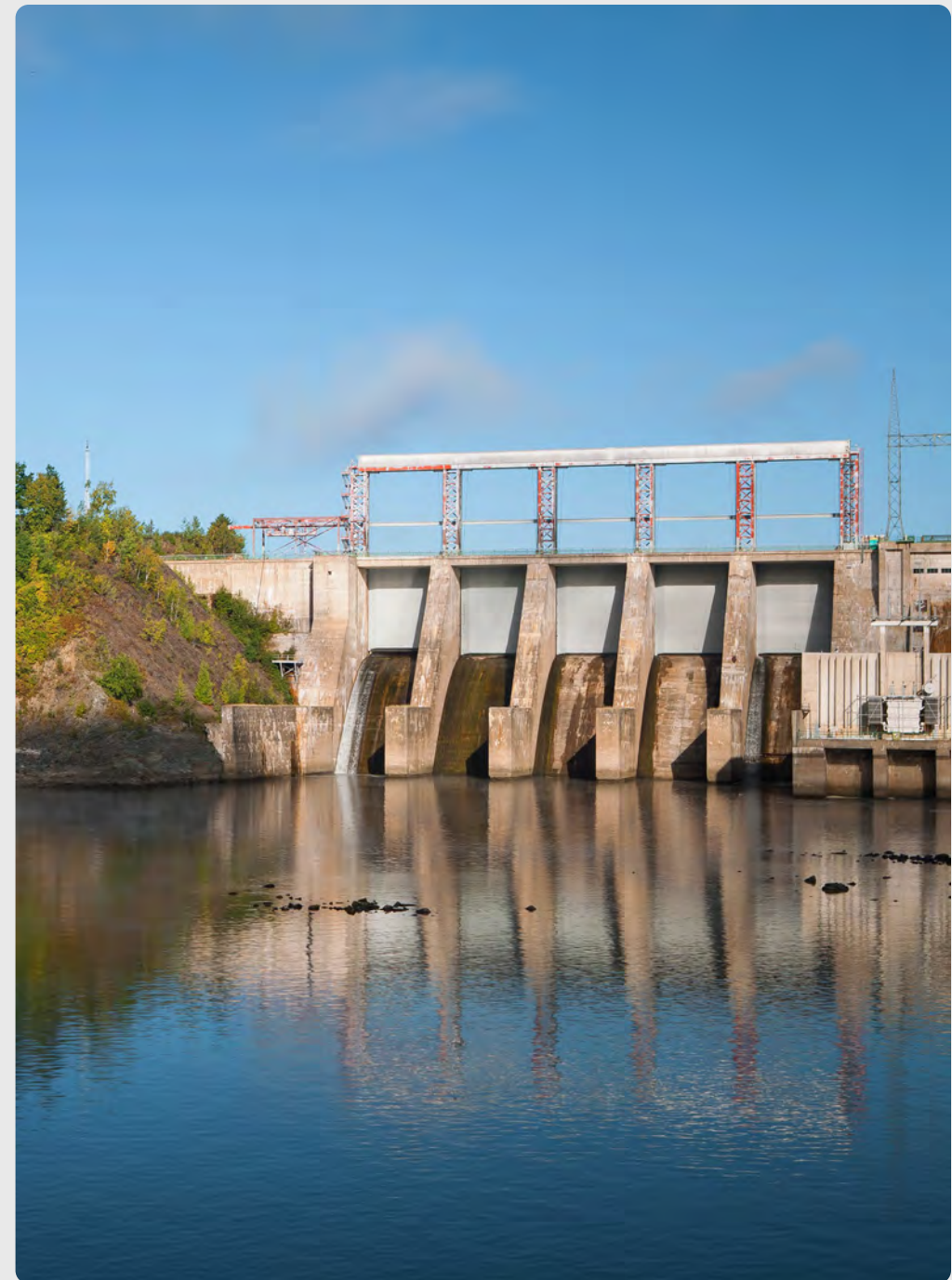
## STANTEC'S TARGET

**100%**

revenue growth by 2026

## Stantec's response

- World leader in utility scale energy storage (pumped hydro storage)
- Expanding our team of subject matter experts in emerging energy markets
  - Hydrogen
  - Small modular reactors
  - Carbon capture, usage and storage
- Developing digital tools through innovation like Stantec Beacon, which reduces earthworks, decreases construction costs, and speeds the design process





# Grid Modernization and Expansion

## MARKET

**US\$21.4T<sup>1</sup>**

investment needed by 2050

**3x<sup>1</sup>**

Annual investment required to triple from 2022 to 2050

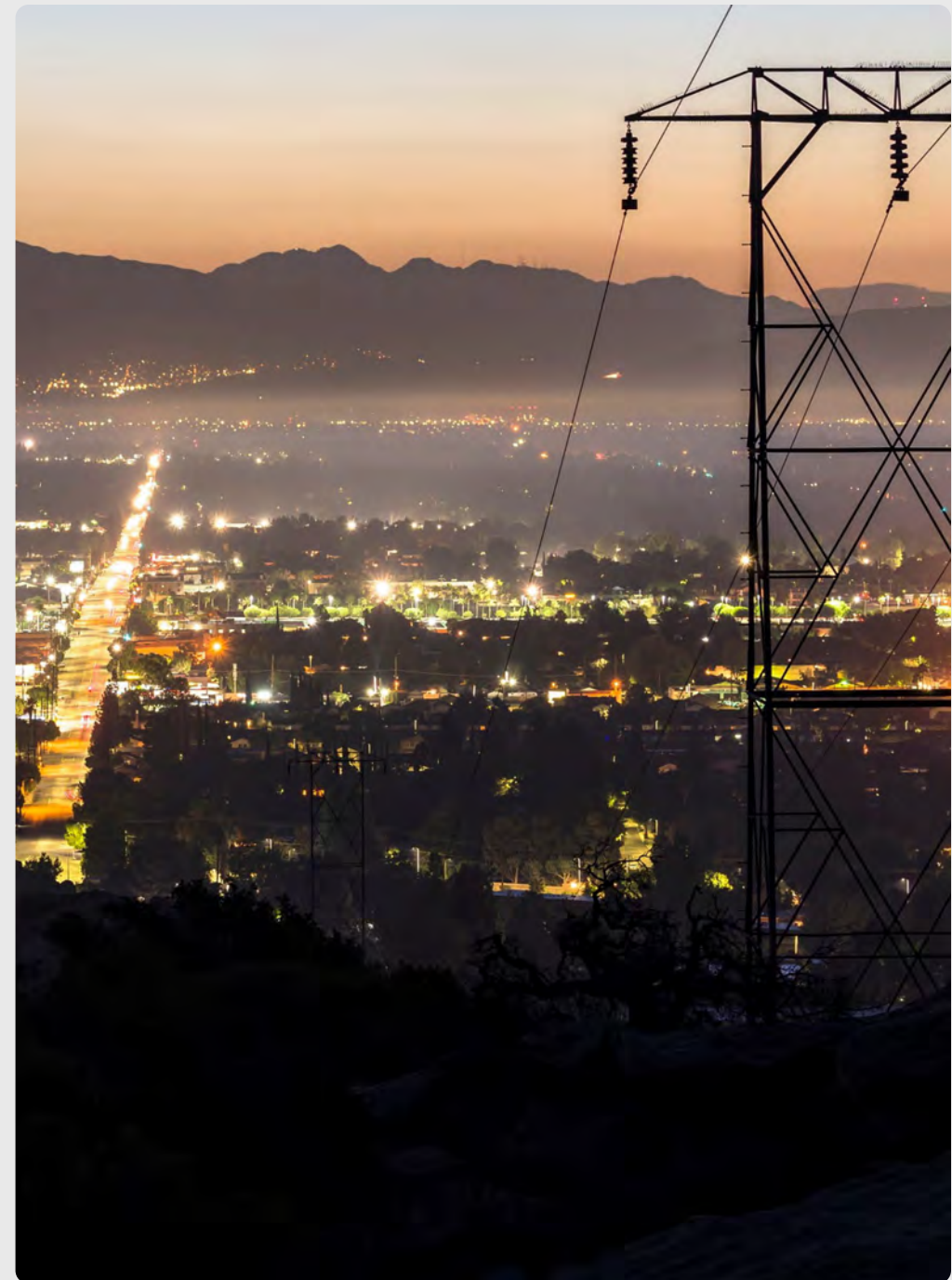
## STANTEC'S TARGET

**20%**

annual growth through 2026

## Stantec's response

- Our advanced power delivery team provide a competitive advantage with engineering solutions that are innovative, reliable, efficient, safe and environmentally respectful
- Helping harden existing transmission systems to be more resistant to extreme weather events
- Leveraging our long-term client relationships and decades of experience serving clients in power delivery
- Increasing resource base and staff capabilities through multi-faceted program
  - Targeted recruiting campaign
  - In-house cross-training
  - Expansion of high value centers





# Our path to a lower carbon future starts with and depends on Energy & Resources

We are well positioned as the world moves to a lower carbon future

Partnering with our other BOUs, we provide comprehensive and integrated solutions

As a single-source provider, we drive accelerated growth across Stantec





# Water

2024/2026



# Water at a glance

## 5,500

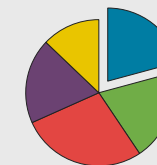
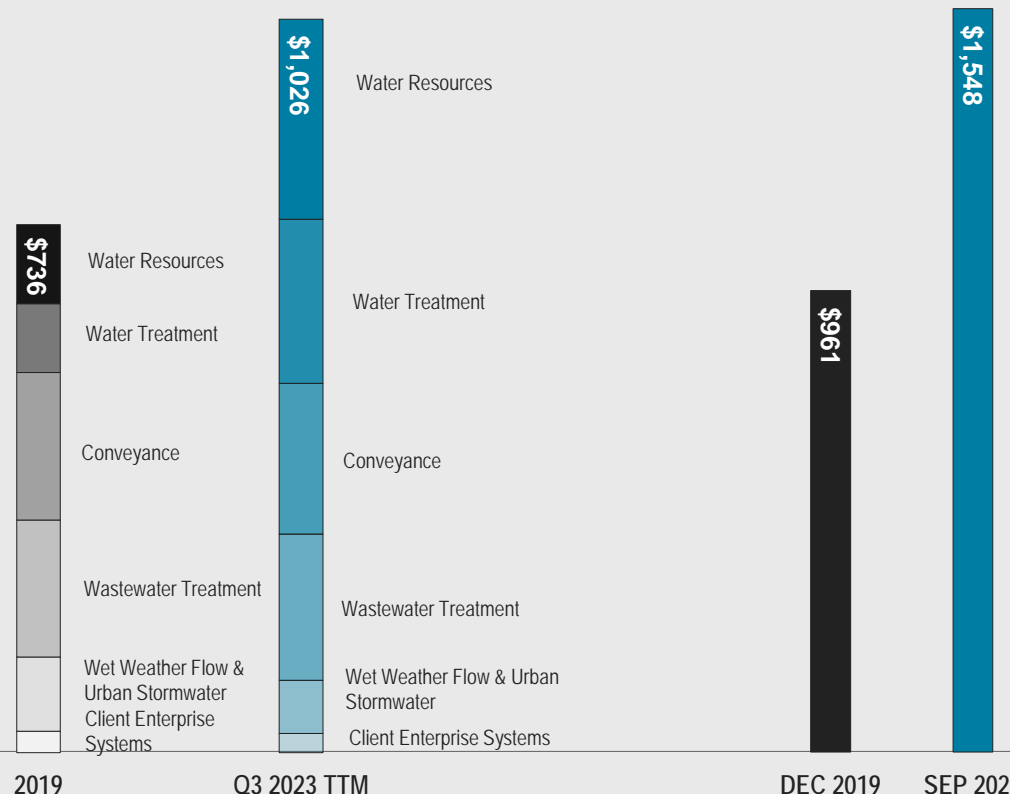
Water experts

## #1

Top 10 International Design Firms by Market - Sewer / Waste  
*ENR August 2023*

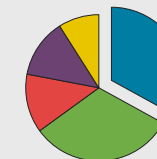
## #2

Top 10 International Design Firms by Market - Water  
*ENR August 2023*



## 21%

of Q3 2023 TTM total net revenue



## 33%

of 2022 Aligned SDG Revenue

## 39%

increase in net revenue since 2019



# Growth driven by multiple tailwinds

Government stimulus programs such as the IIJA and IRA

New regulations increasing US and Eurozone planned investment, especially in wastewater

Equipment prices normalizing, creating pricing stability and renewed project starts

UK (AMP 8) forecasts more than double the previously expected spend over next 5 years

Increase in semiconductor industry activity forecasted to double capex spend over next 5 years driven by US (and EU) Chips Act



# Strategic Growth Opportunities



**Coastal Resilience and  
System Hardening**



**Disaster Preparedness,  
Response and  
Infrastructure Recovery**



**Water Reuse,  
Desalination and  
Supply Resiliency**



# Coastal Resilience and System Hardening

## MARKET

**US\$50B<sup>1</sup>**

Addressable A/E consulting and overall design spend by 2030

**3x<sup>2</sup>**

Annual investment expected to triple from 2022 to 2050

**\$1.1B**

Current revenue capacity in MSAs/IDIQs

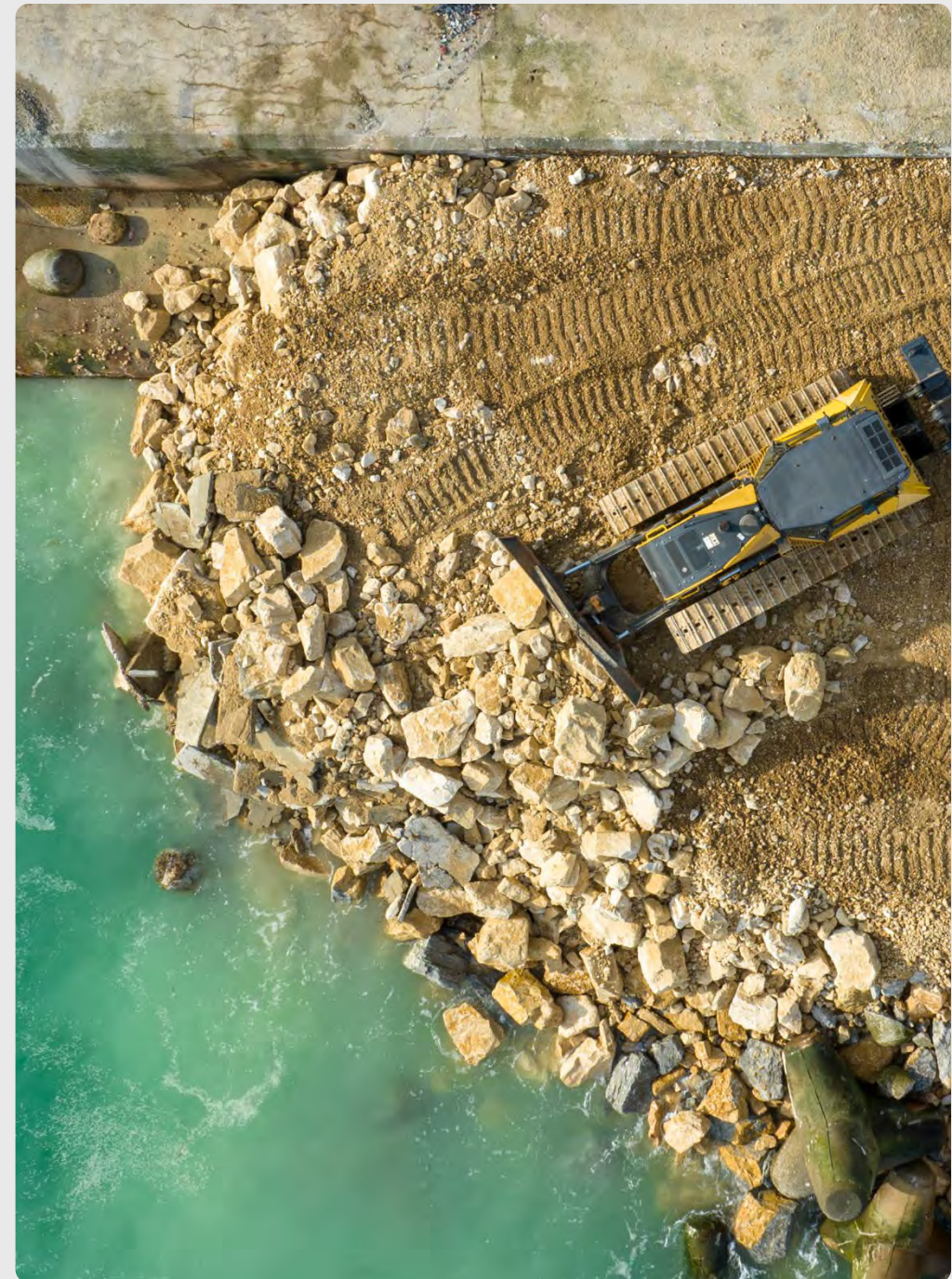
## STANTEC'S TARGET

**>100%**

revenue growth by 2026

## Stantec's response

- We are expanding across six major global coastal zones including US, UK & AUS/NZ
- Building off experience such as US\$730M pumpstation designed following Hurricane Katrina and US\$6B Project Orange with US Army Corps
- Differentiated offering including parametric design for levee systems and Flood Predictor software





# Disaster Preparedness, Response and Infrastructure Recovery

## MARKET

**US\$130-415B<sup>1</sup>**

Estimated annual adaptation need of \$130-415B by 2030

**US\$1.7-3.1T<sup>2</sup>**

is the estimated global cost of climate change damage per year by 2050

## STANTEC'S TARGET

**10%**

annual growth through 2026

## Stantec's response

- Brand recognition as an industry leader in recovery, rebuild, and resiliency planning
- Rapid response and recovery support to fire, flood, hurricane events: Hurricane's Sandy, Harvey, Irma, and Maria, and the major wildfires in California, Colorado, Western Canada, and most recently in Maui
- Serving as national agency partner on infrastructure recovery programs (e.g. Jackson, MI leading to hundreds of other communities potentially facing similar system failure)





# Water Reuse, Desalination and Supply Resiliency

## MARKET

**50%<sup>1</sup>**

of world's population may be living in areas facing water scarcity by 2025

**US\$35B<sup>2</sup>**

in capital expenditure within the desalination & reuse market

## STANTEC'S TARGET

**>10%**

annual growth through 2026

## Stantec's response

- Industry leading water reuse expertise (e.g. San Diego Pure Water Program—California's first water augmentation project)
- Global desalination footprint: US, UK and Australia
- Leader in zero liquid discharge for advanced manufacturing industries: semiconductor, solar panel manufacturing, data centers and EV battery production
- >20 PFAS projects across US; differentiated by Stantec's Institute for Research





# We will continue to outperform the market

Stantec's Water business is excelling and is on a significant upward trajectory

We are industry experts and market leaders across all mega trends driving Water business growth

Strong reputation for positive culture with turnover levels at half the industry average has us on track towards 2,000 new hires by 2026





# Environmental Services

2024-2025



**STN**  
TSX: NYSE

Stantec's  
Strategic Plan



# Environmental Services at a glance

**5,600**

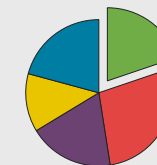
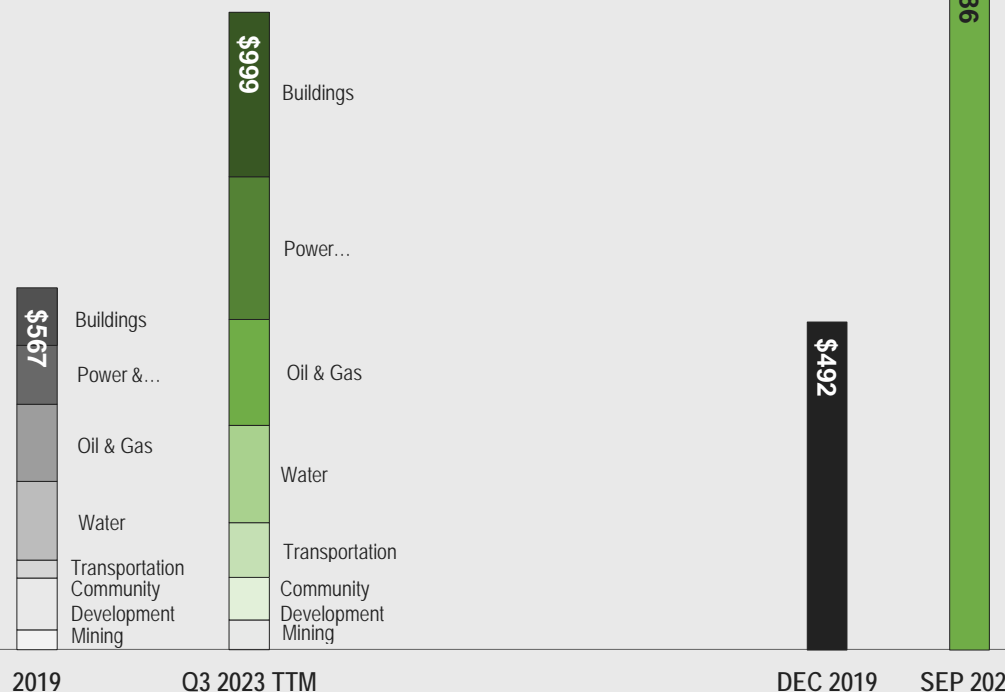
Environmental Services experts

**#5**

Top 10 Environmental Firms by Type of Work - Engineering / Design *ENR July 2023*

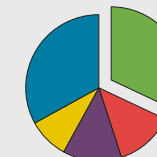
**#6**

Top 10 Environmental Firms by Market Segment - Environmental Science *ENR July 2023*



**20%**

of Q3 2023 TTM total net revenue



**32%**

of 2022 Aligned SDG Revenue

**76%**

increase in net revenue since 2019



# Demand is robust

Strong baseload of work remediating historical environmental damage and permitting major infrastructure projects to protect natural assets and promote biodiversity

Weather and climate disasters driving significantly increased market demand

Substantial permitting needed for new and renewable energy sources



# Strategic Growth Opportunities



**Energy Transition**



**Nature-Based  
Solutions**



**ESG Advisory**



# Energy Transition

## MARKET

**US\$370B<sup>1</sup>**

California will need to invest \$370B in its power grid and clean energy to meet the 80% jump by 2045

## STANTEC'S TARGET

**100%**

revenue growth by 2026

## Stantec's response

- Programmatic support for our largest power sector clients makes Stantec, a preferred provider, easy to use as they face unprecedented change
- Playing a leading role in energy supply bridging strategies as we transition to more renewable energy including participation in three of the seven Clean Hydrogen Hub projects advanced by US DOE
- Chosen as "safe hands" for precedent setting projects in Canada, requiring broad technical expertise, keen understanding of the regulations and an impeccable reputation with stakeholders





# Nature-Based Solutions

## MARKET

**US\$384B<sup>1</sup>**

UN reports that climate, biodiversity and land degradation goals will be out of reach unless investments into nature-based solutions quickly ramp up to \$384B by 2025

## STANTEC'S TARGET

**100%**

revenue growth by 2026

## Stantec's response

- Our team of more than 1000 ecosystem restoration specialists has restored more than 40,000 acres across North America and more than 1,000 miles of rivers and streams
- Established a Stantec Native Plant Nursery. Native plants boost biodiversity, support pollinators, and restore ecological value
- Established one of the largest cultural and paleontological resources teams in North America
- Are the minority partner in 11 formal partnerships with Indigenous-owned businesses across Canada. These partnerships combine our technical knowledge and resources with local knowledge and experience to deliver quality services





# ESG Advisory

## MARKET

**US\$8.4B<sup>1</sup>**

ESG Reporting costs in 2023 up from \$2B estimated in March 2022

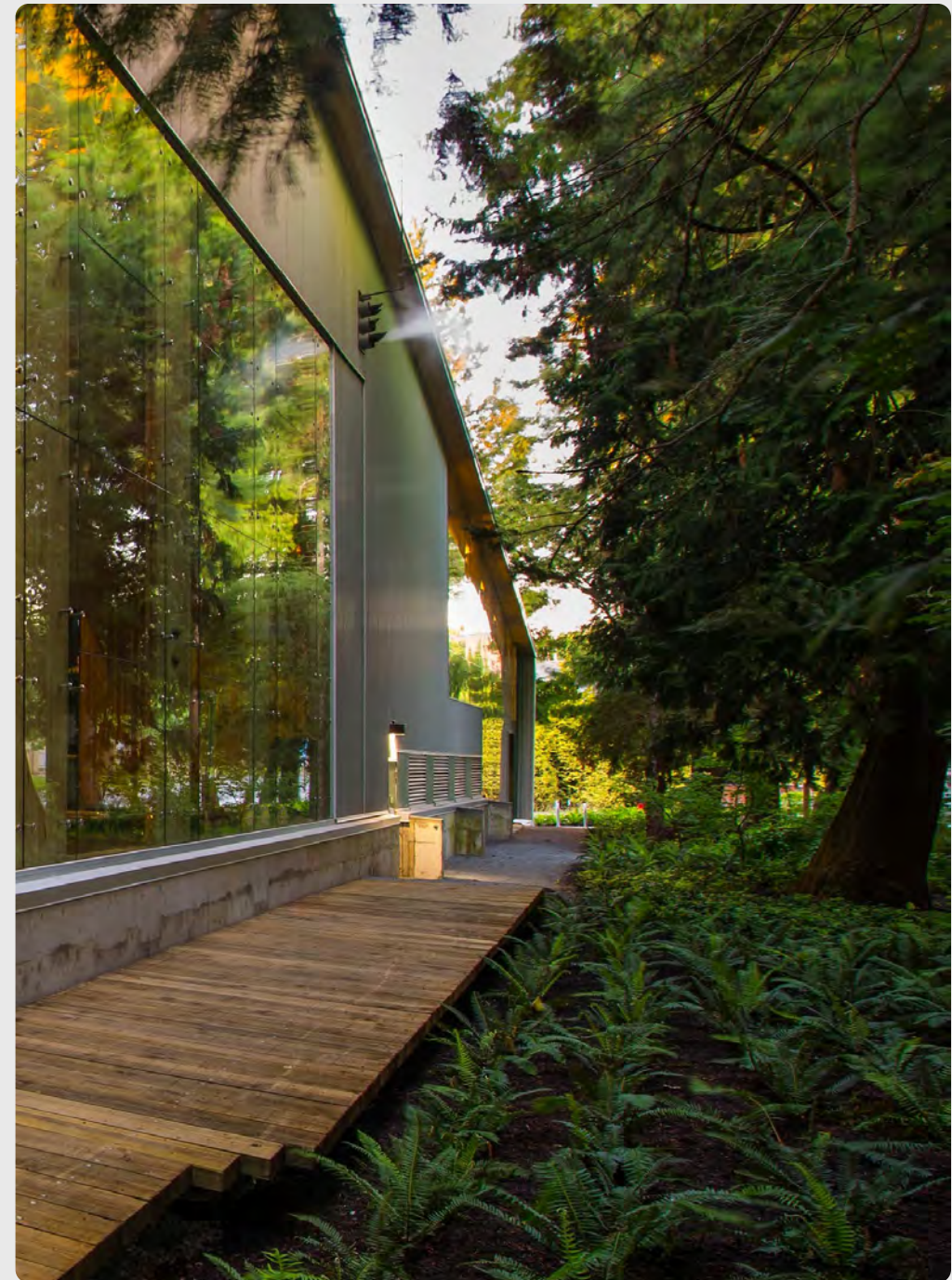
## STANTEC'S TARGET

**100%**

annual growth through 2026

### Stantec's response

- Built an ESG Advisory practice to translate aspirational goals into implementable material programs, relying on the broad Stantec platform
- Established a Health Sciences division to characterize human health and environmental risk associated with complex exposures involving chemicals and pharmaceuticals
- Created a predictive analytical tool- Debris Flow Predictor – the latest in our geohazard suite. DFP can support clients in mountainous terrains help makes decisions to preserve communities, infrastructure and the environment





# Making a difference

Environmental Services has the breadth and depth of experience to handle the most challenging projects. We are often first in to some of the most exciting projects for Stantec

Environmental Services is safe hands for our clients whether managing a portfolio of projects, managing their thorniest projects, or anticipating regulatory hurdles

The world has never needed us more in the face of natural disasters, energy transition, and threats to biodiversity





# Global

24/26



STN  
TSX · NYSE

Stantec's  
Strategic Plan



# Global regions

## GLOBAL EXPERTS

**2,500**

in UK, Ireland

**3,000**

in Australia  
& New Zealand

**1,000**

in Pune & Manila

**1,500**

in all others



# Global at a glance

## 8,000

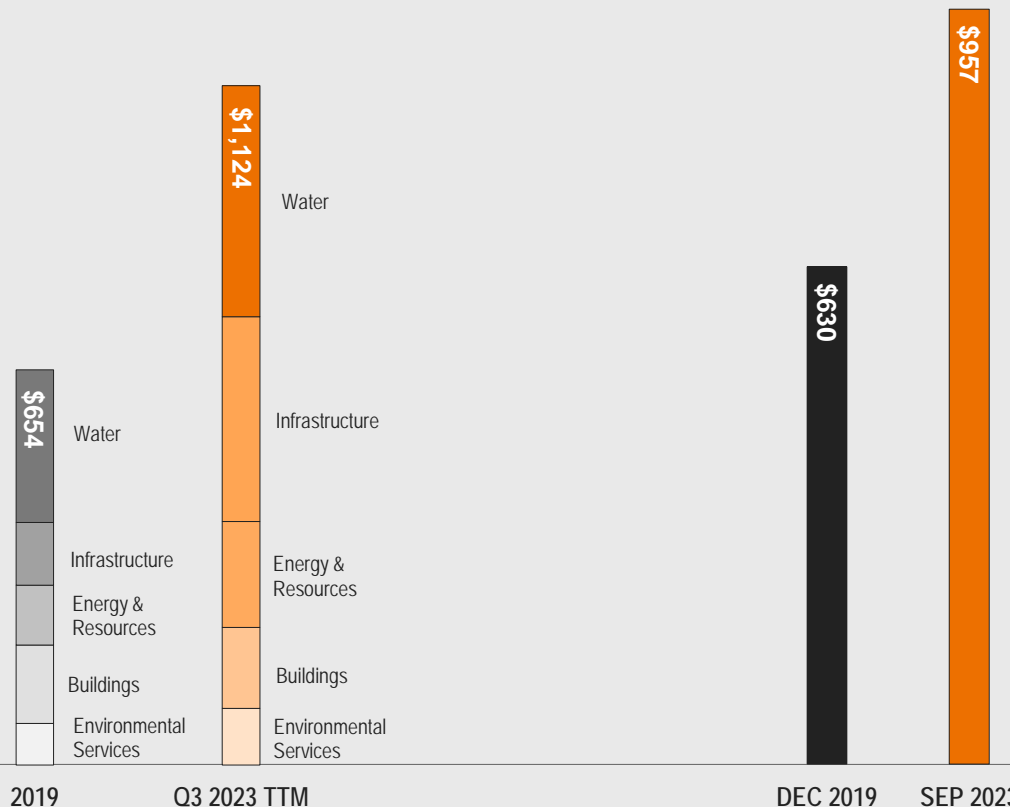
Global experts

## #7

2023 Global 100 Most Sustainable Corporations in the world *Corporate Knights*

## #11

Top 150 Global Design Firms *ENR August 2023*



## 23%

of Q3 2023 TTM total net revenue

## 23%

of 2022 Aligned SDG Revenue

## 72%

increase in net revenue since 2019



# Geographic expansion

New firms in new geographies -like ZETCON- have un-tethered access to multi-sector expertise from across Stantec

High value centers provide cost effective resources to provide 24/7 working



# Strategic Growth Opportunities



## Future Water

Major Programs

Supply Resiliency and Desalinization



## Global Energy Transition

Pumped Storage and Hydro Refit

Grid Modernization

Renewable Energy



# Future Water

Major Programs | Supply Resiliency and Desalinization

## MARKET

**\$41B<sup>1</sup>**

in Australia (2024-2026)

**\$14B<sup>1</sup>**

in New Zealand (2024-2026)

**\$160B<sup>1,2</sup>**

in UK (2025-2030)

## STANTEC'S TARGET

**50%**

increase in UK net revenue by 2026

Sustained growth in other regions

**Engineering  
Consultancy  
of the Year Winner**

*UK Water Industry Awards 2023*

**Consulting Firm  
of the Year Winner**

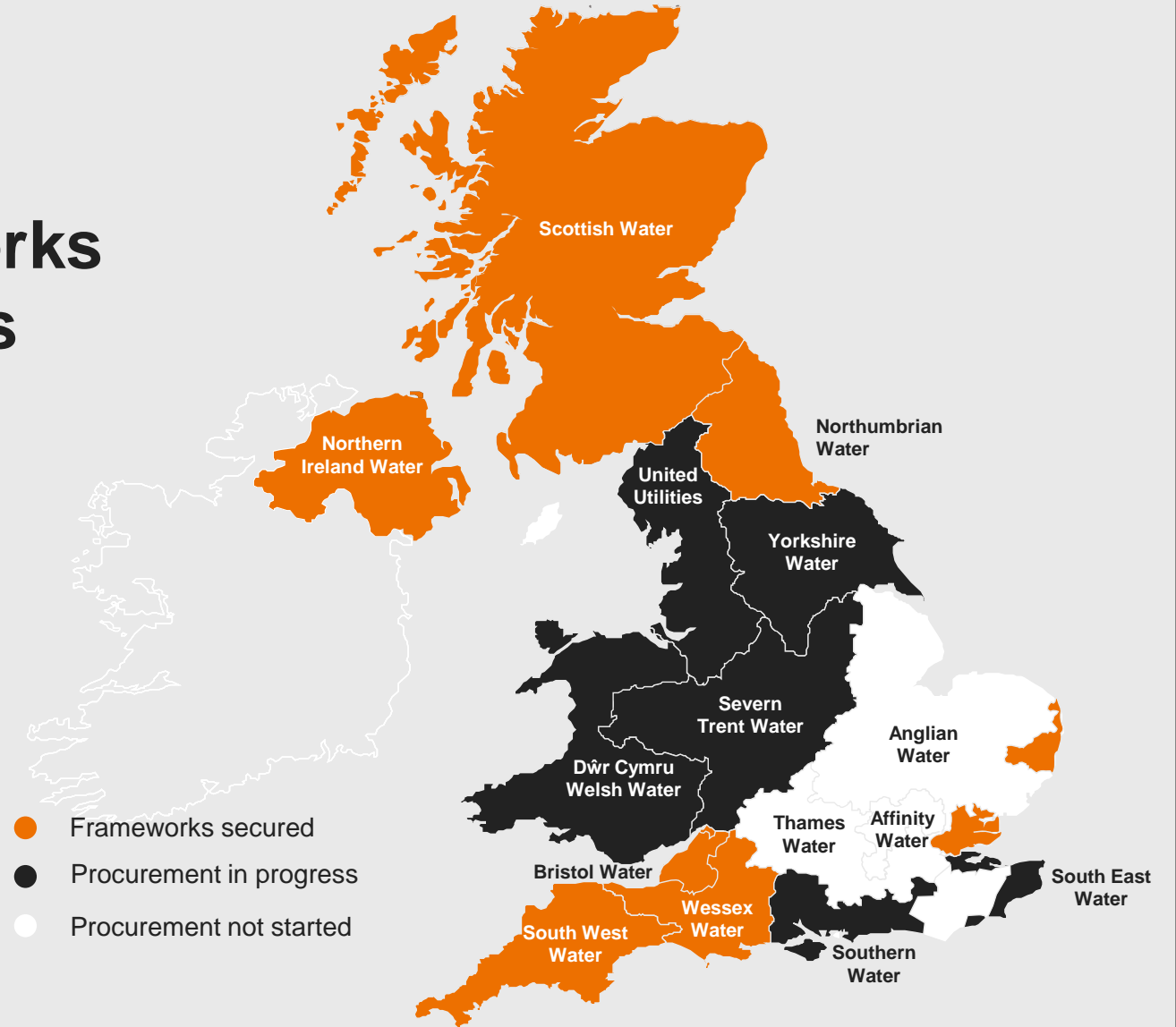
*UK New Civil Engineer Awards*



# Securing UK frameworks with key water utilities

## Stantec's response

- Win key AMP8 Frameworks in England and Wales
- Continued investment in graduate and apprentice programs
- Double number of staff in Pune and Manila
- Up-skilling using fast track "academy" training





# Global Energy Transition

Pump Storage | Grid Modernization | Renewables

## MARKET

**95%<sup>1</sup>**

British Energy Strategy plan to achieve 95% of UK electricity production from low carbon sources by 2030

**43%<sup>3</sup>**

Australia commitment to reduce emissions to 43% below 2005 levels by 2030

**\$84B+<sup>2</sup>**

UK Transmission and Distribution

**\$18B<sup>4</sup>**

Australia Transmission and Distribution

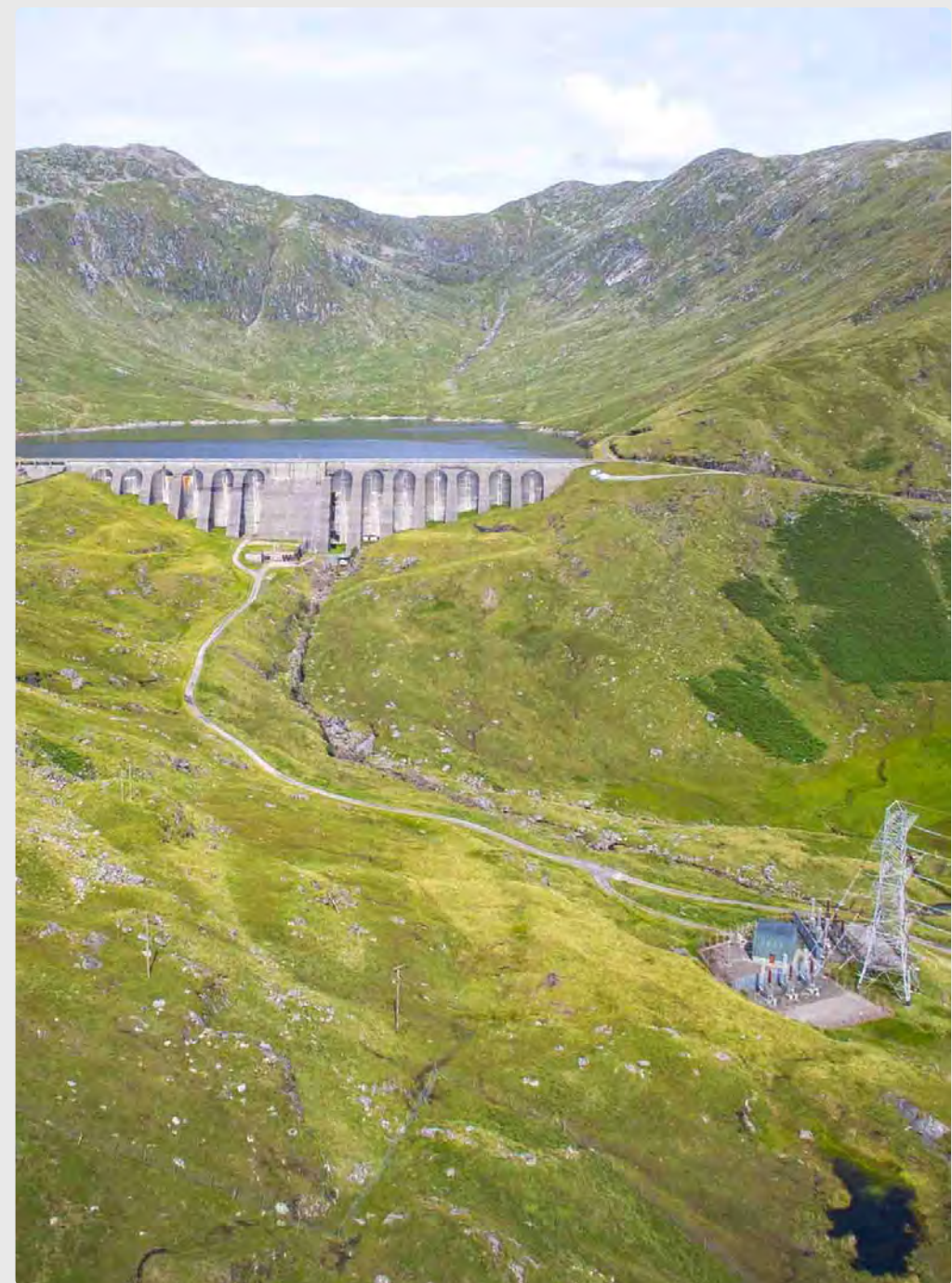
## STANTEC'S TARGET

**100%**

revenue growth by 2026

## Stantec's response

- Maximizing existing frameworks
- Strengthening internal program management offering
- Developing our relationship with key contractors for the detailed design of solutions
- Positioning with UK National Grid and the other transmission network operators and distribution network operators for next regulatory delivery cycle







# Our Global opportunity for growth is huge

## Geographic expansion

- Focus on our core markets of Australia, New Zealand, UK and Europe
- Explore opportunities for expansion into new geographies

## Global expertise

- Promote cross business collaboration
- Leverage our expertise in core geographies

## Global skills shortage

- Invest in our graduate and apprentice programs
- Grow our high value centers



# Questions?



# Investor Day 2023



# Appendix

24/20



# Appendix

## 2024 Financial Targets

---

### Other expectations

---

Effective tax rate	<b>22.0% to 23.0%</b>
Earnings pattern	<b>40 – 45% in Q1 and Q4 55 – 60% in Q2 and Q3</b>
Capital expenditures as % of net revenue	<b>1.75% to 2.25%</b>
Net debt to adjusted EBITDA	<b>1.0x to 2.0x</b>
Days sales outstanding	<b>at or below 80</b>
Free cash flow to net income	<b>at or above 1.0x</b>
USD to CAD	<b>1.35</b>

---