



AltaCorp Institutional Conference  
January 16, 2020

STN  
TSX · NYSE

## 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](http://sec.gov) or by visiting the CSA website at [sedar.com](http://sedar.com) or on Stantec's website at [stantec.com](http://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. Unless otherwise indicated, all amounts expressed in Canadian dollars.*

## STANTEC AT A GLANCE

**STN**

TSX &amp; NYSE

**400**

Locations worldwide

**CDN \$4.2B<sup>(2)</sup>**

Market Cap

**22,000**

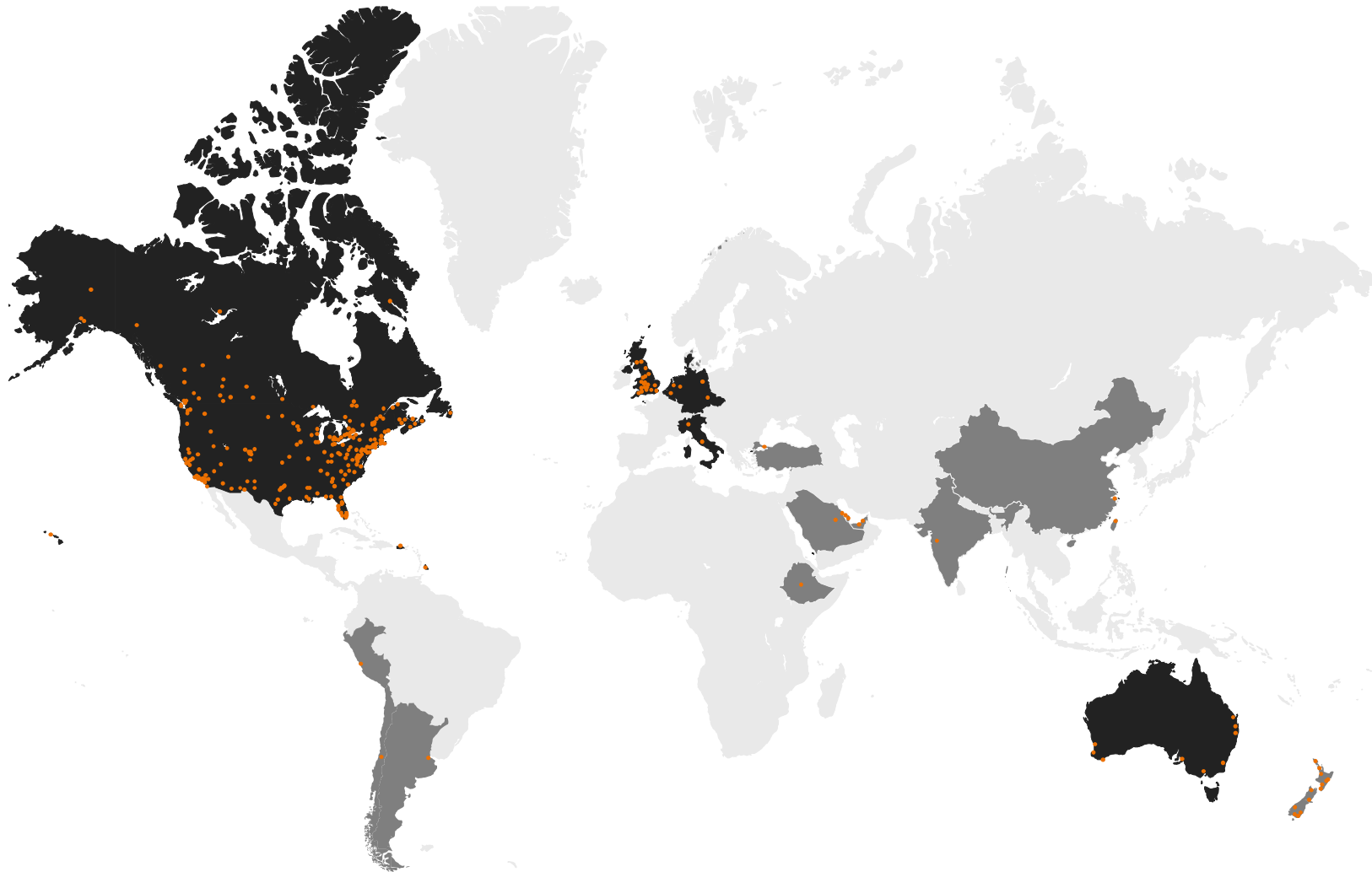
Employees globally

**CDN \$3.6B**Annual Net Revenue <sup>(1)</sup>**65 YEARS**

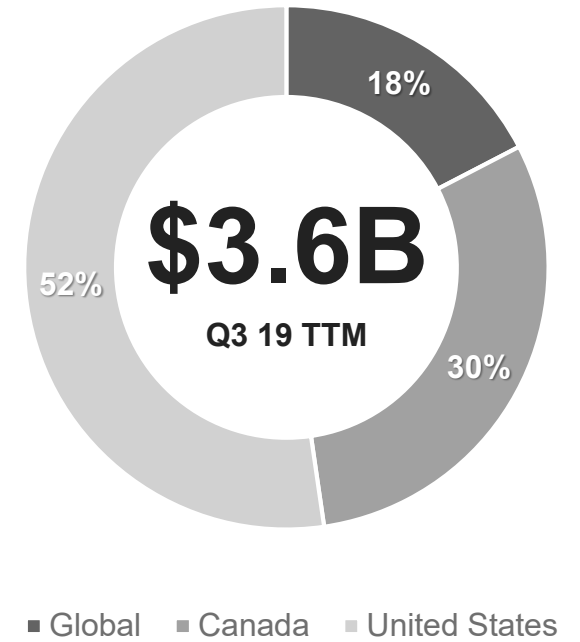
Of uninterrupted profitability

<sup>(1)</sup> Q3 19 TTM<sup>(2)</sup> As of January 9, 2020

## WHERE WE ARE



### Distribution of Net Revenue





# WHAT WE DO

## Design & Engineering Services

For everything from small local projects to iconic mega projects

## Business Operating Units



**INFRASTRUCTURE**

**\$1,036M**



**BUILDINGS**

**\$805M**



**WATER**

**\$731M**



**ENVIRONMENTAL SERVICES**

**\$551M**



**ENERGY & RESOURCES**

**\$524M**

(Q3 19 TTM Net Revenue)

## OUR VISION

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

**Pure play  
design focus**

**Strong alignment  
with shareholders**

**Earnings growth**

**Disciplined capital  
allocation**



## OUR OPPORTUNITY

### Key Market Trends

Climate change, Urbanization, Geopolitics and breakthrough technology

### Strategic Growth Opportunities



**COASTAL  
RESILIENCE**

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



**ECOSYSTEM  
RESTORATION**

**US\$9,000B<sup>1</sup>**



**SMART CITIES AND  
URBAN PLACES**

**US\$1,700B<sup>2</sup>**

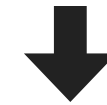


**ENERGY  
REMIX**

**US\$13,040B<sup>3</sup>**

**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

## OUR STRATEGY

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.





# 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

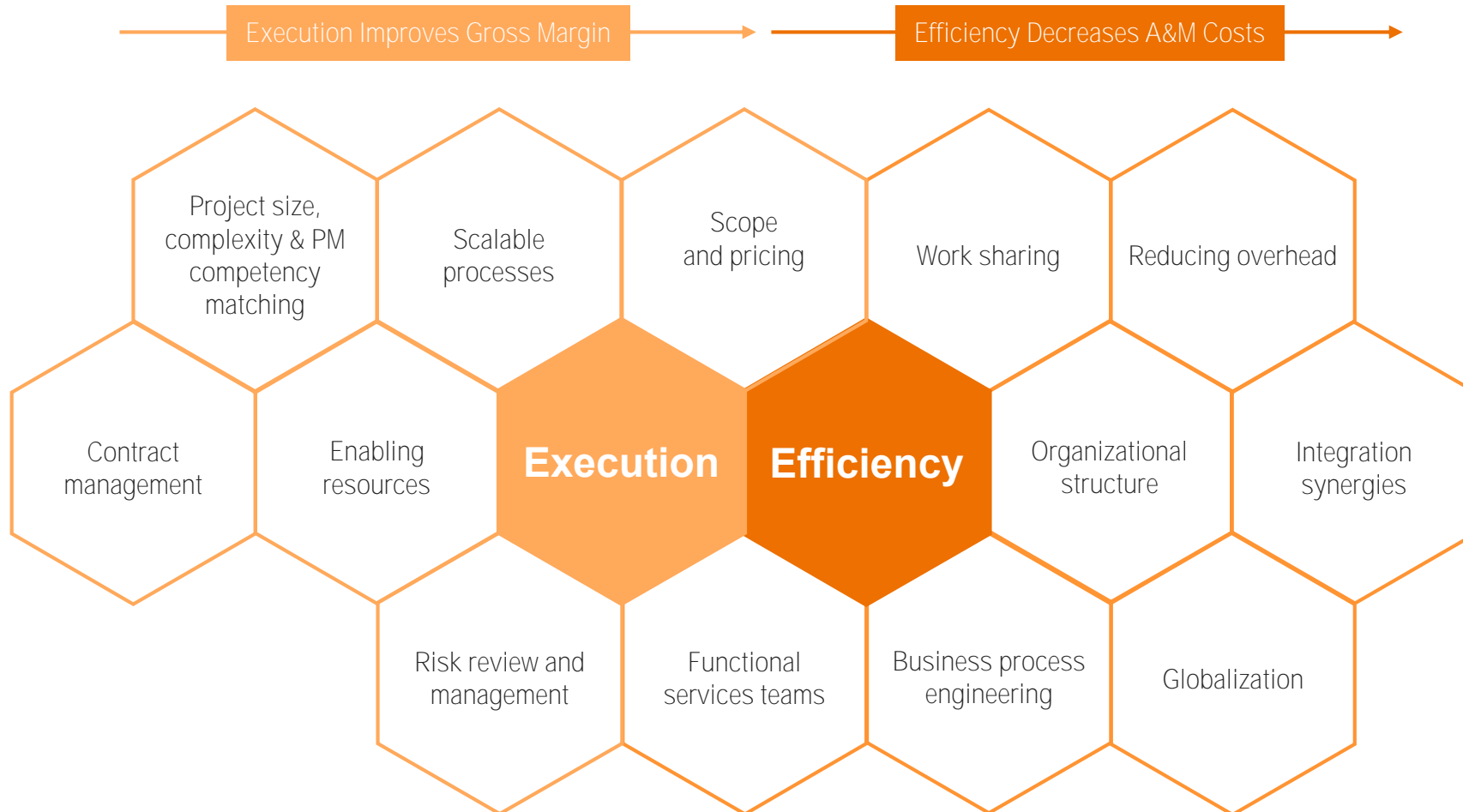
**>11%**

CAGR

RETURN ON  
INVESTED CAPITAL

**>10%**

# Enhancing operational performance

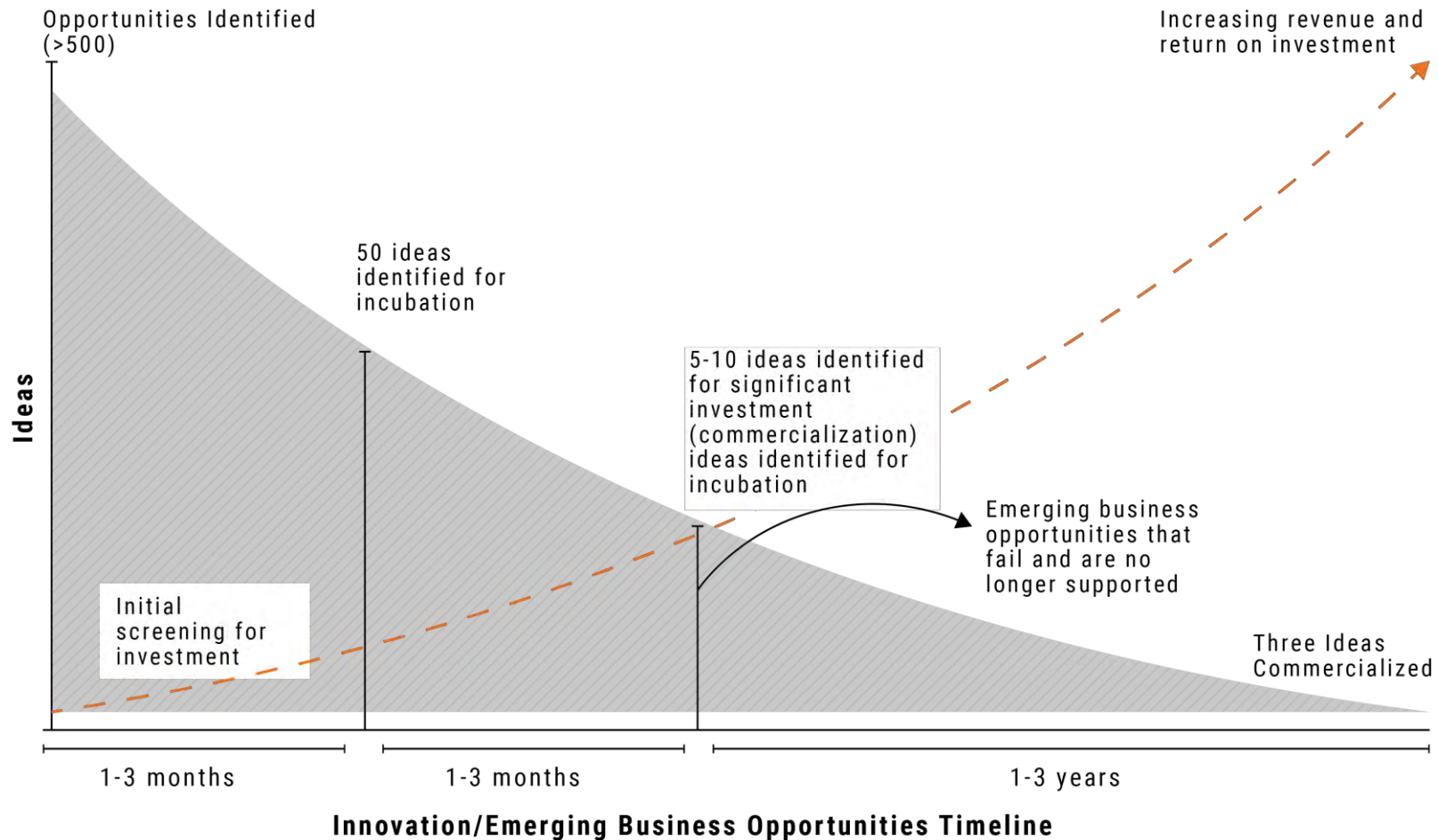


**WE ARE DRIVEN TO ACHIEVE**

**MAINTAIN GROSS MARGIN AT**  
**53 - 55%**  
**OF NET REVENUE**

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

# Innovation commercialization funnel



**WE ARE DRIVEN TO ACHIEVE**

TARGET:

**>3/year**

INITIATIVES COMMERCIALIZED

## 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.



# Building an inspired culture

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



**WE ARE DRIVEN  
TO ACHIEVE**

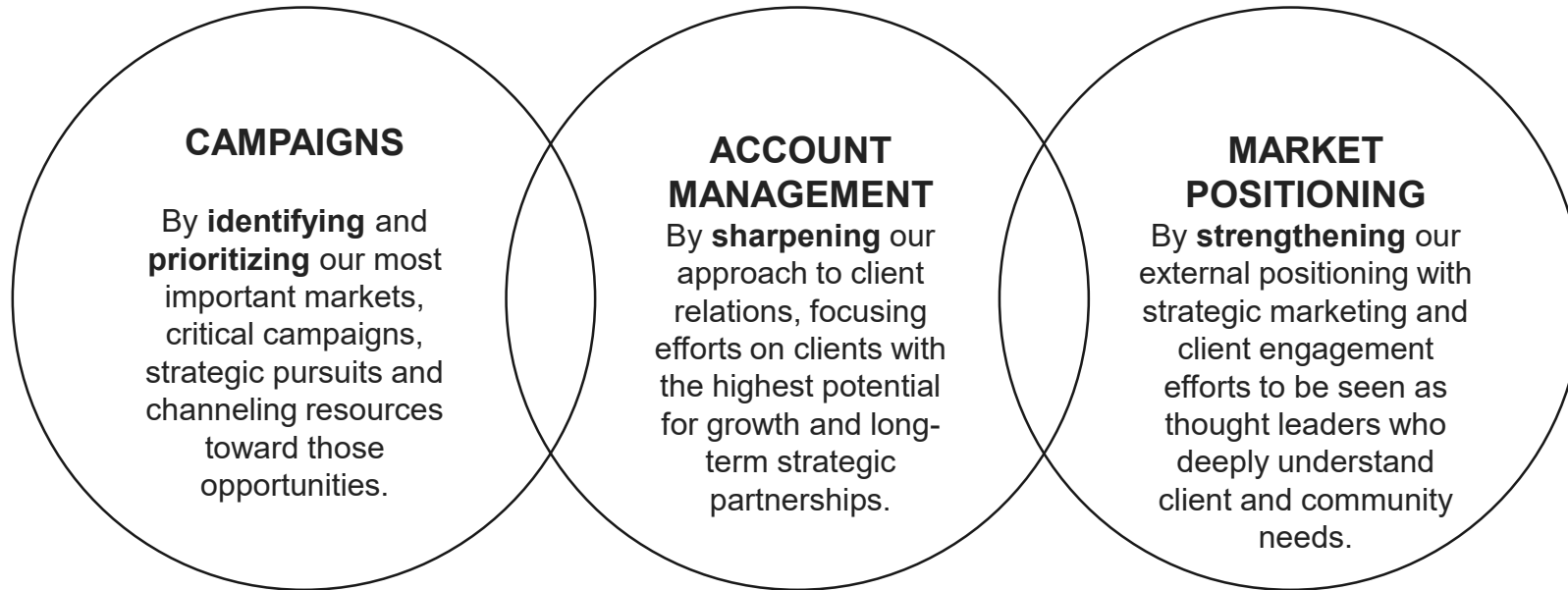
**>85%**

**INCLUSION & DIVERSITY  
ENGAGEMENT**

**<12%**

**EMPLOYEE RETENTION  
VOLUNTARY TURNOVER**

# Organic growth pillars



**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**

# 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







 Bhoti Koshi Hydropower Project  
Bhoti Koshi River, Sindhupalchok District, Nepal

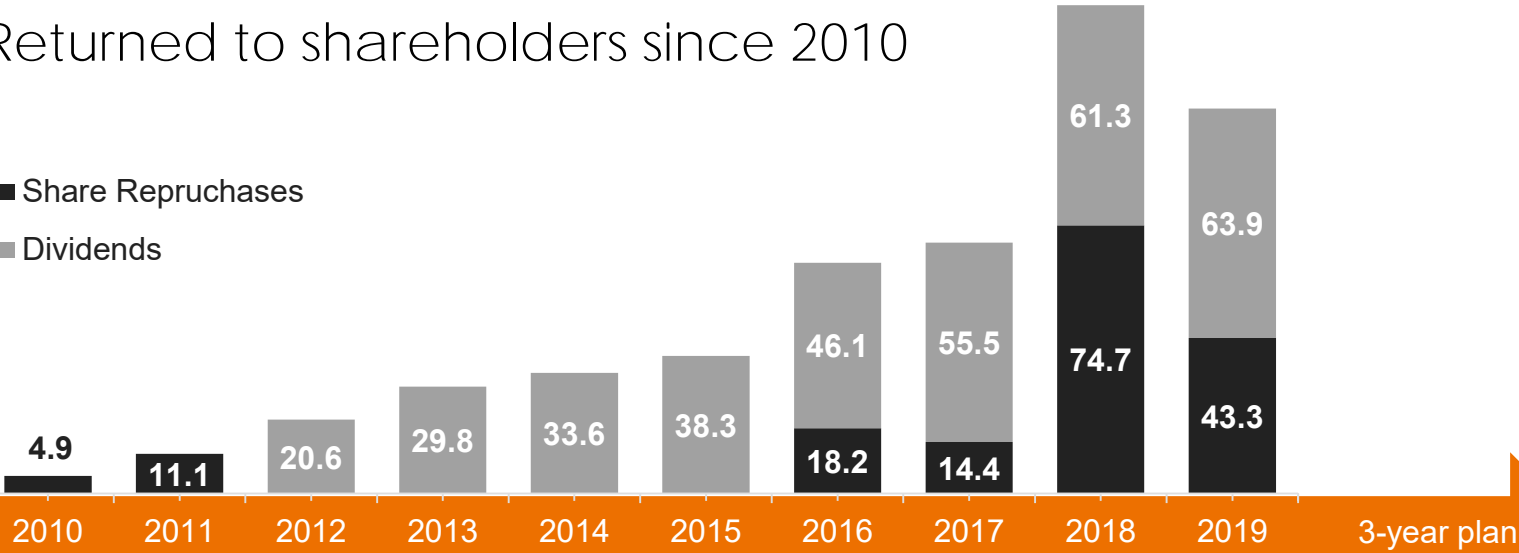
# Capital Allocation

# Capital allocation strategy has evolved

More than \$500M  
Returned to shareholders since 2010

Capital Returned to Shareholders  
(\$ millions)

■ Share Reprurchases  
■ Dividends



Significant  
Events

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

**WE ARE DRIVEN  
TO ACHIEVE**

**25 - 30%**

DIVIDEND PAY OUT RATIO

**>11%**

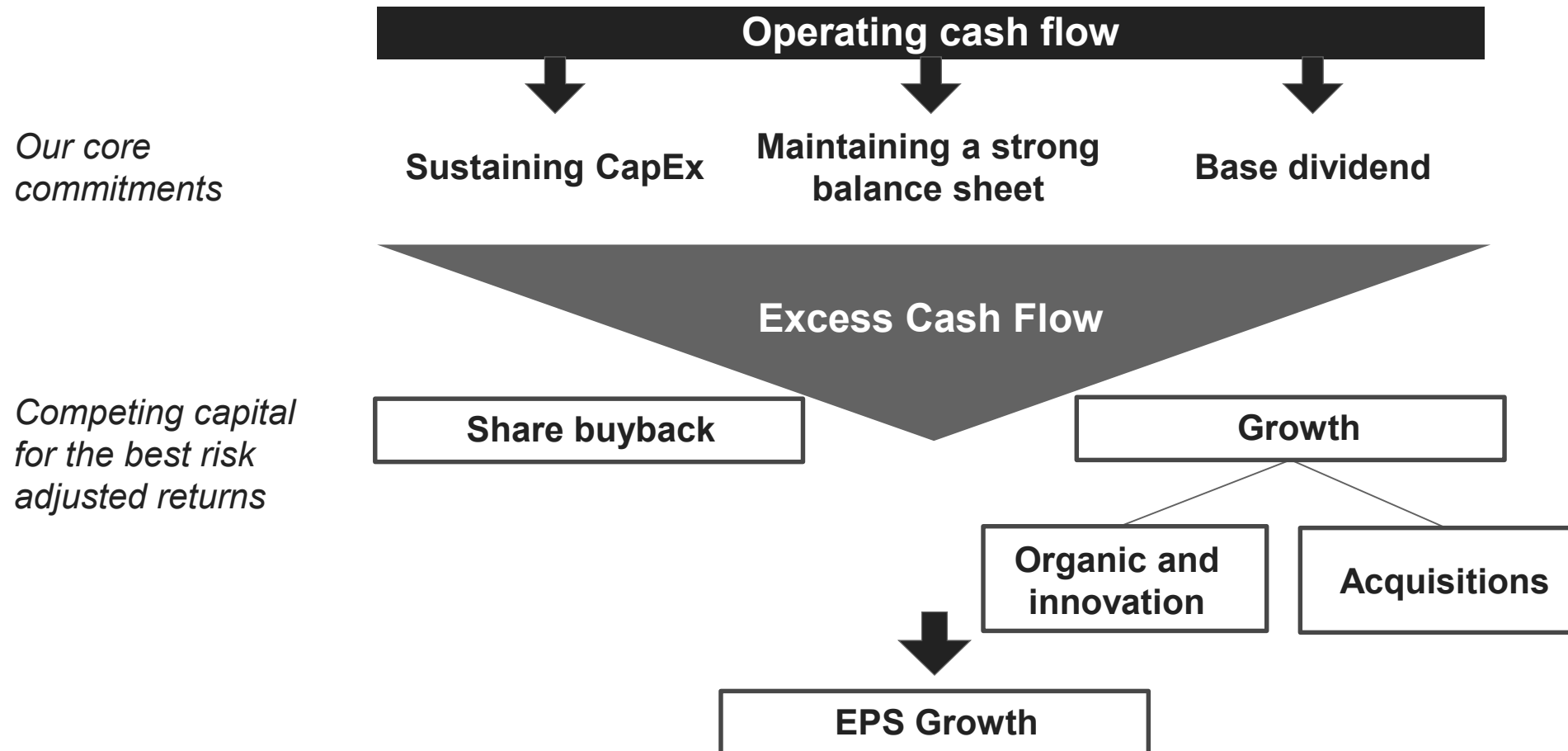
ADJUSTED EPS CAGR

**>10%**

RETURN ON INVESTED CAPITAL  
BY 2022

# Our capital allocation philosophy

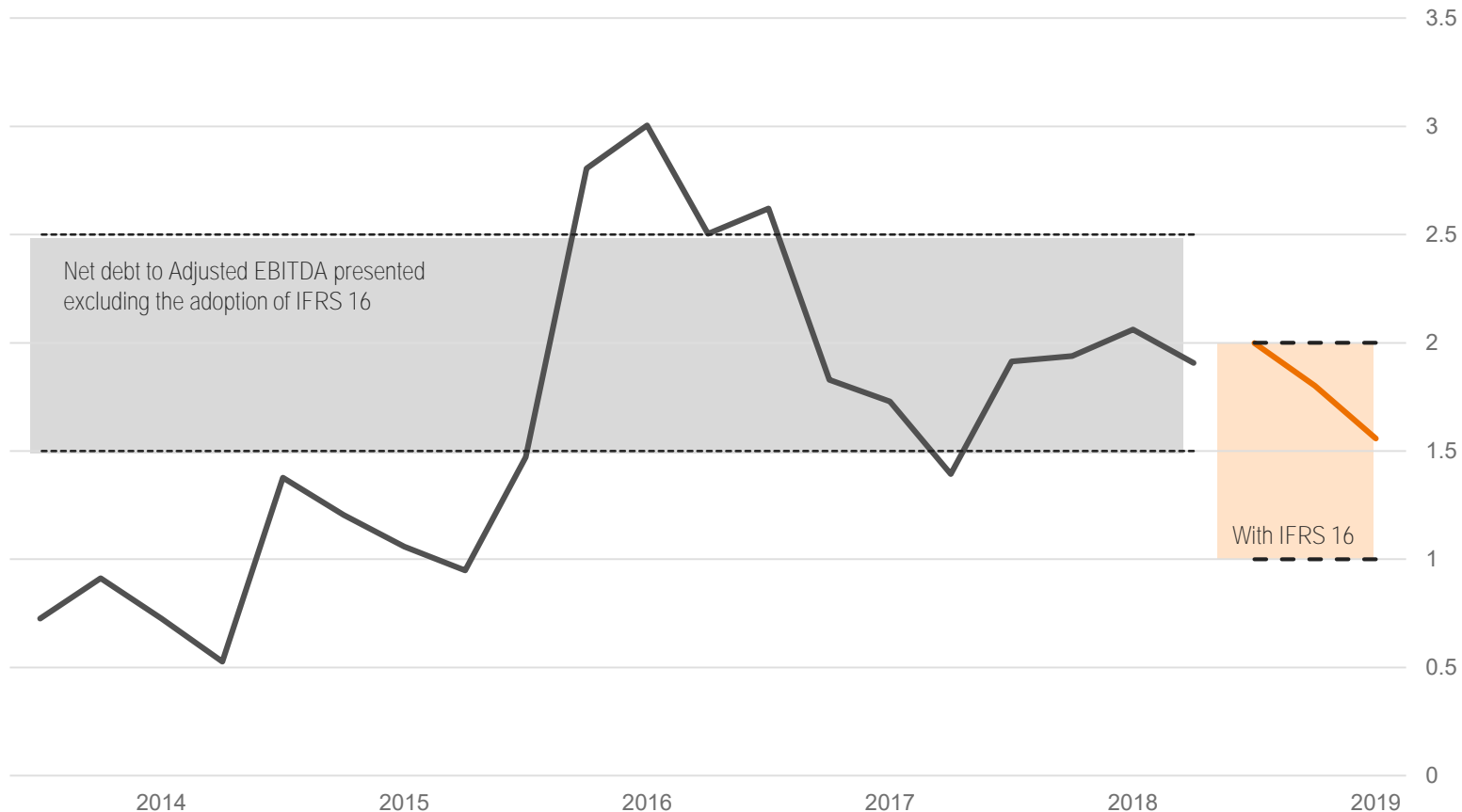
Focused on achieving the best risk adjusted returns





# 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



Q3 2019

**Development of a footbridge and a marsh at SEVA residences/  
Aménagement d'une passerelle et d'un marais aux résidences SEVA**

Candiac, QC, Canada

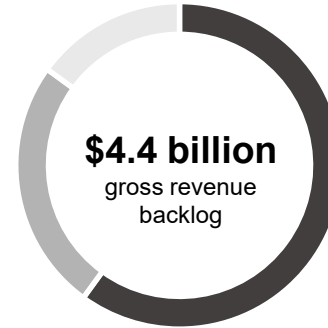
# Q3 2019 Overview

**12.4% growth** in net revenue driven by:

**7.4% organic growth** in all geographies and businesses except Energy & Resources

**4.8% acquisition growth** mainly focused in Buildings and Infrastructure

**13.4% increase** in gross margin reflecting continued focus on project execution and project mix



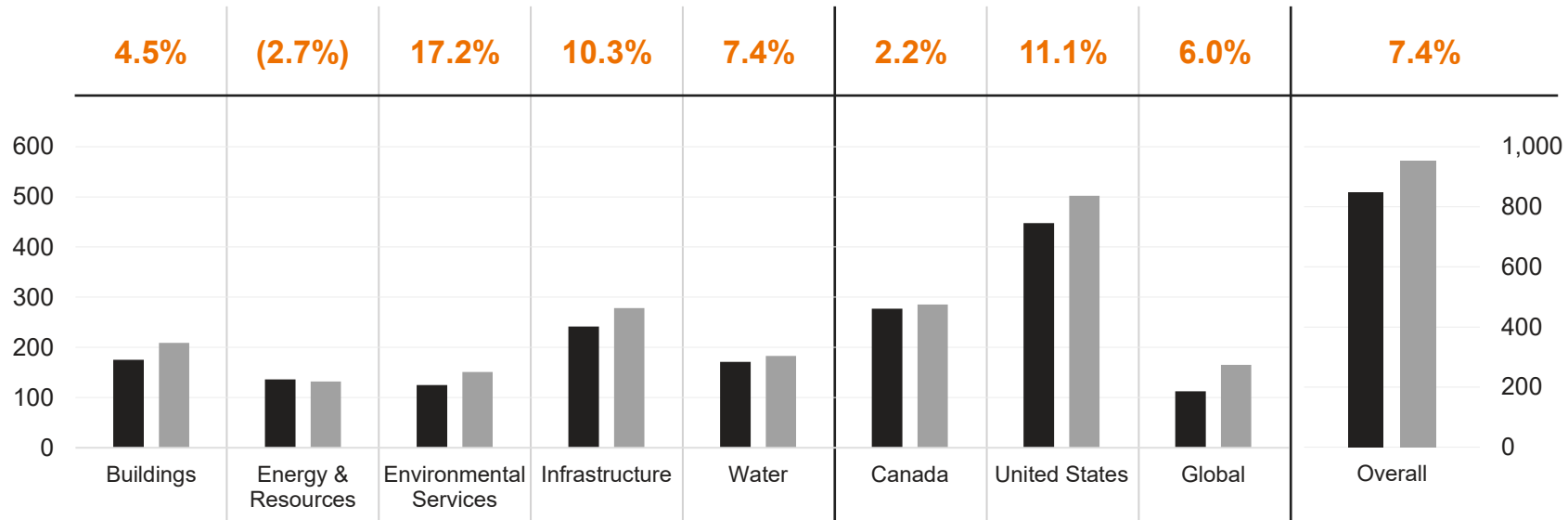
**5.4%** backlog increase from end of 2018

**11** months of work

**Organic net revenue growth (retraction)**

**Net revenue in millions of CAD**

■ Q3 18 ■ Q3 19





# Adoption of IFRS 16

<i>(millions of Canadian dollars except where noted)</i>	<b>Q3 19 as reported</b>	<b>Q3 19 excluding IFRS 16</b>	Increase (decrease)
<b>Impact on income statement items</b>			
Administrative and marketing expenses	355.6	390.6	(35.0)
Depreciation of lease assets	29.3	-	29.3
Net interest expense	17.2	9.0	8.2
Net income	57.8	59.6	(1.8)
<b>Impact on non - IFRS financial measures <sup>(1)</sup></b>			
EBITDA	157.9	122.9	35.0
Adjusted EBITDA	159.1	124.1	35.0
Net debt/adjusted EBITDA	1.6x	2.1x	(0.5)

<sup>(1)</sup> Non-IFRS measures are discussed in the Definitions section of our 2018 Annual Report and Q3 19 Management's Discussion & Analysis. Net debt/adjusted EBITDA was calculated using a proforma IFRS 16 adjustment for Q418 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.

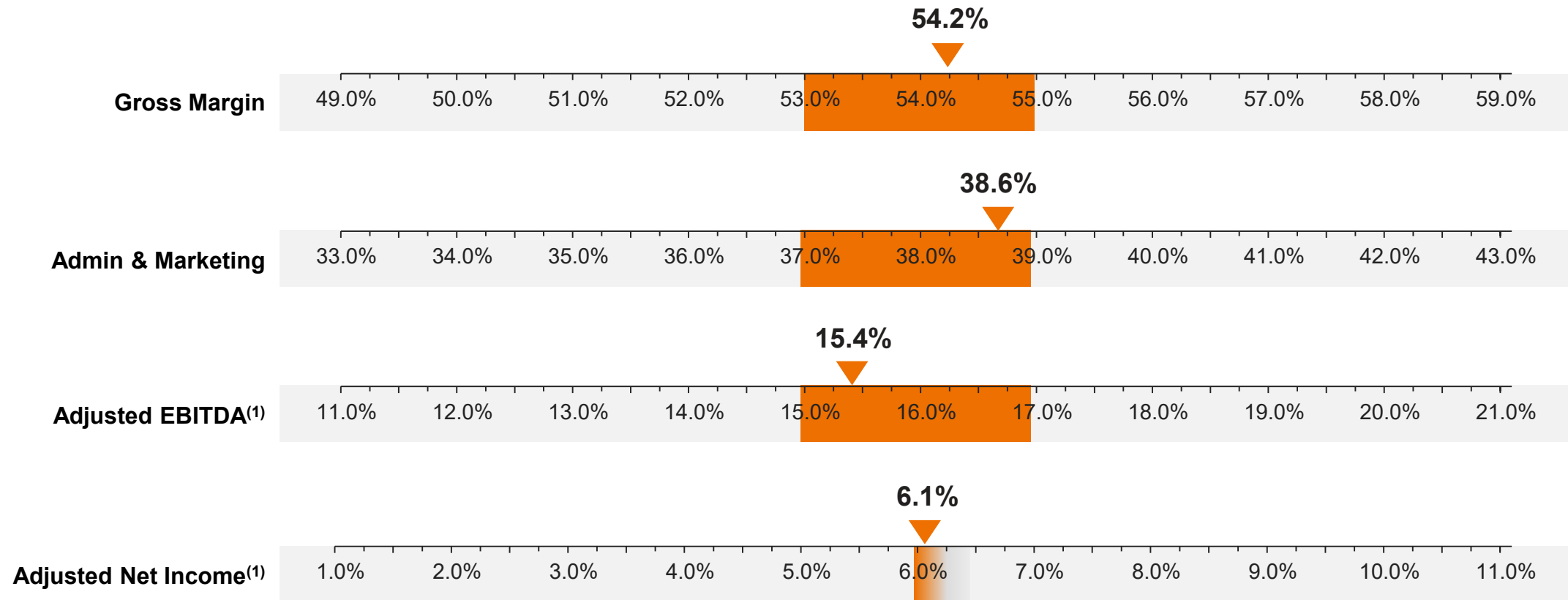
# Q3 19 Results

	Q3 19		Q3 18		YTD Q3 19		YTD Q3 18	
	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue
<i>(In millions of Canadian dollars, except per share amounts and percentages)</i>								
<b>Gross revenue</b>	<b>1,241.5</b>	<b>130.3</b>	1,086.6	128.2	<b>3,617.1</b>	<b>128.7</b>	3,199.9	127.0
<b>Net revenue</b>	<b>952.6</b>	<b>100.0</b>	847.5	100.0	<b>2,810.3</b>	<b>100.0</b>	2,519.6	100.0
<b>Gross margin</b>	<b>516.1</b>	<b>54.2</b>	455.3	53.7	<b>1,522.1</b>	<b>54.2</b>	1,365.8	54.2
Administrative and marketing expenses	355.6	37.3	346.2	40.8	1,085.1	38.6	1,055.5	41.9
<b>EBITDA from continuing operations<sup>(1)</sup></b>	<b>157.9</b>	<b>16.6</b>	108.8	12.8	<b>436.0</b>	<b>15.5</b>	308.9	12.3
<b>Net income from continuing operations</b>	<b>57.8</b>	<b>6.1</b>	55.9	6.6	<b>152.0</b>	<b>5.4</b>	150.1	6.0
<b>Basic and diluted earnings per share (EPS) from continuing operations</b>	<b>0.52</b>		<b>0.49</b>		<b>1.36</b>		<b>1.32</b>	
Adjusted EBITDA from continuing operations <sup>(1)</sup>	<b>159.1</b>	<b>16.7</b>	108.3	12.8	<b>431.6</b>	<b>15.4</b>	308.3	12.2
Adjusted net income from continuing operations <sup>(1)</sup>	<b>66.3</b>	<b>7.0</b>	51.2	6.0	<b>172.7</b>	<b>6.1</b>	161.1	6.4
Adjusted basic and diluted EPS from continuing operations <sup>(1)</sup>	<b>0.59</b>		0.45		<b>1.55</b>		1.41	

<sup>(1)</sup> EBITDA, adjusted EBITDA, adjusted net income, and adjusted basic and diluted EPS are non-IFRS measures (discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis).

# Q3 19 YTD Results Versus Guidance\*

Expressed as a percent of net revenue & revised for IFRS 16



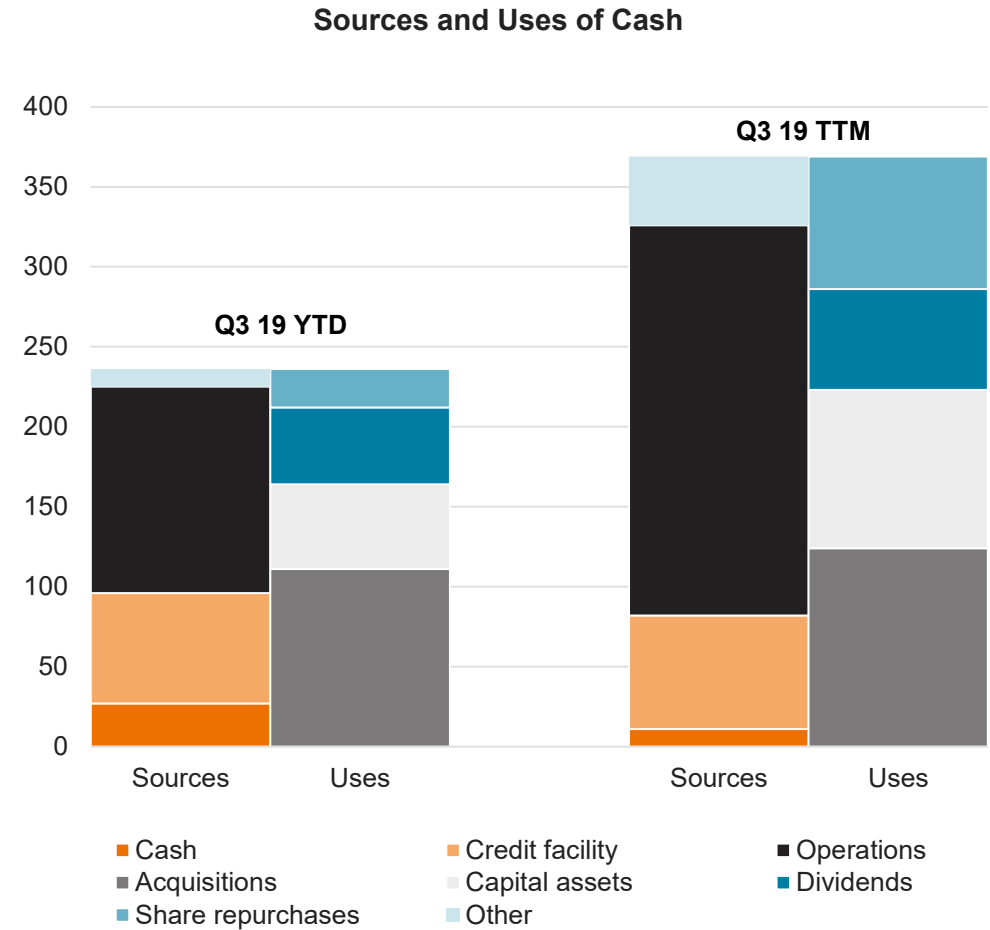
<sup>(1)</sup> Adjusted EBITDA and adjusted net income are non-IFRS measures (discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis).

\*2019 Target Range was previously published in our 2018 Annual Report. Certain targets were revised in Q1 19 for the adoption of IFRS 16 and incorporation of adjusted measures.



# Liquidity and Capital Resources

Cash Flow from Continuing Operations <i>(millions of Canadian dollars)</i>	Q3 19		Q3 18	YTD Q3 19		YTD Q3 18
	<i>as reported</i>	<i>excluding IFRS 16</i>		<i>as reported</i>	<i>excluding IFRS 16</i>	
Inflow (Outflow)						
Operating	139.0	108.2	64.4	212.8	129.4	89.7
Investing	(29.9)	4.4	(87.6)	(165.5)	(123.6)	(192.3)
Financing	(54.7)	(58.2)	7.4	(56.7)	(15.2)	105.6
Net effect	54.4	54.4	(15.8)	(9.4)	(9.4)	3.0



# Leverage

Net Debt to Adjusted EBITDA (TTM)	<i>As reported</i>	<i>excluding IFRS 16</i>
Internal guideline	1.0x to 2.0x	1.5x to 2.5x
Q3 19	1.6x <sup>(1)</sup>	2.1x

<sup>(1)</sup> Net debt/adjusted EBITDA is a non-IFRS measure discussed in the Definition section of our 2018 Annual Report and the Q3 2019 Management's Discussion & Analysis and was calculated using a proforma IFRS 16 adjustment for Q4 18 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.





# 2020 Guidance



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



# 2020 targets and guidance

Targets:

**Adjusted EBITDA<sup>(1)</sup>**  
 (% of net revenue)



**Adjusted Net Income<sup>(1)</sup>**  
 (% of net revenue)



**Return on Invested Capital**



Guidance:

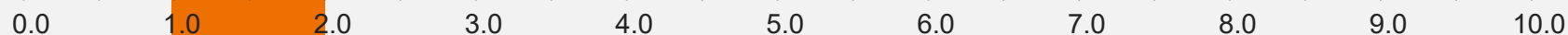
**Gross Margin**  
 (% of net revenue)



**Administrative & Marketing Expenses**  
 (% of net revenue)



**Net Debt to Adjusted EBITDA**



<sup>(1)</sup> 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.

# 2020 Guidance

<b>Targets</b>	<b>2020</b>
<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%
<b>Guidance</b>	
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.*



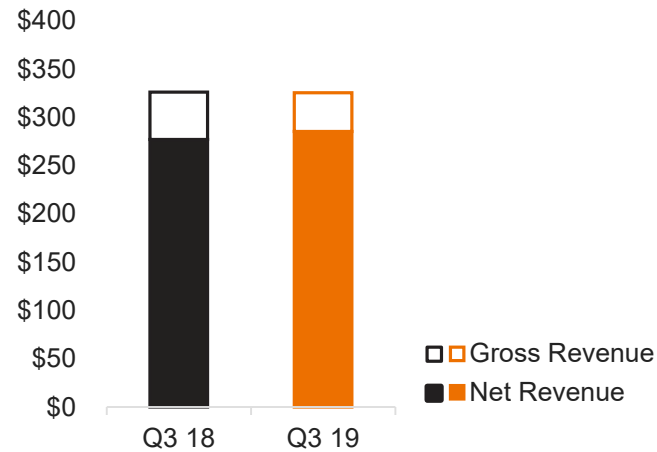
# Appendix: Geographic Units

**Stantec Tower**  
Edmonton, Alberta



# Canada

millions (C\$)



Results in line with expectations for slower economic growth

Environmental Services, Mining, and Transportation led growth

Energy & Resources retraction due to projects wrapping up or nearing completion

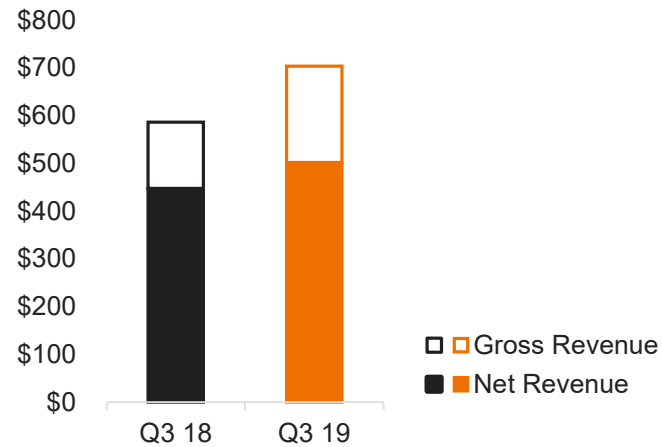


**University of Lethbridge - Science and Academic Building**  
Lethbridge, Alberta

	Q3 19	YTD
Net revenue growth	2.9%	2.1%
Organic net revenue growth (retraction)	2.2%	(0.3%)
Backlog at September 30, 2019		\$1.0B

# United States

millions (C\$)



Strong growth in Transportation, Environmental Services, and Water

Continued work on major rail and transit projects

Several wins in renewables and hydropower work



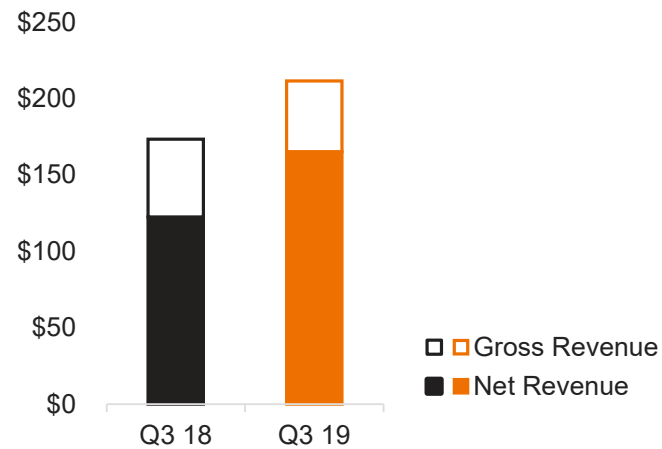
Red Rock Hydroelectric Project  
Pella, Iowa

	Q3 19	YTD
Net revenue growth	12.1%	9.8%
Organic net revenue growth	11.1%	6.1%
Backlog at September 30, 2019		\$2.8B



# Global

millions (C\$)



Acquisitions of PBA and WGE contributed to growth in Buildings and Infrastructure

Organic growth across all businesses except WaterPower & Dams

Several projects wins in the Middle East with government clients



The Leys School  
Cambridge, England

	Q3 19	YTD
Net revenue growth	34.8%	40.0%
Organic net revenue growth	6.0%	6.8%
Backlog at September 30, 2019		\$640M



# Supplementary Information

**SR 90 (Tamiami Trail) Bridging from East of Osceola Camp to West of Airboat Association of Florida**  
Miami-Dade County, Florida



**Consolidated Statement of Cash Flows Indirect Method  
(Unaudited)**

*(In millions of Canadian dollars)*

	Quarter ended Sep 30	Three quarters ended Sep 30
	2019	2019
	\$	\$
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS</b>		
<b>Net income from continuing operations</b>	<b>57.8</b>	<b>152.0</b>
Add (deduct) items not affecting cash:		
Depreciation of property and equipment	15.1	43.5
Depreciation of lease assets	29.3	85.2
Amortization of intangible assets	17.0	50.0
Deferred income taxes	6.1	23.2
Loss on sale of property and equipment	0.3	0.7
Realized gain on equity securities	-	(0.1)
Unrealized gain on equity securities	(1.4)	(7.0)
Share-based compensation	2.9	11.1
Provision for self-insured liabilities and claims	9.0	33.2
Share of income from joint ventures and associates	(0.3)	(0.7)
Other non-cash items	4.9	11.4
	<b>140.7</b>	<b>402.5</b>
Trade and other receivables	(5.9)	(15.8)
Unbilled receivables	(25.2)	(67.1)
Contract assets	(3.8)	(10.5)
Prepaid expenses	8.1	2.3
Income taxes recoverable	14.1	20.9
Trade and other payables	12.0	(113.1)
Deferred revenue	(1.0)	(6.4)
	<b>(1.7)</b>	<b>(189.7)</b>
<b>Cash flows from operating activities from continuing operations</b>	<b>139.0</b>	<b>212.8</b>





## Reconciliation of Non-IFRS Financial Measures

	Quarter Ended Sep 30		Three Quarters Ended Sep 30	
	2019	2018	2019	2018
<i>(In millions of Canadian dollars, except per share amounts)</i>				
<b>Net income from continuing operations</b>	<b>57.8</b>	<b>55.9</b>	<b>152.0</b>	<b>150.1</b>
Add back:				
Income taxes	21.5	18.2	53.2	52.4
Net interest expense	17.2	7.4	52.1	19.4
Depreciation and amortization	61.4	27.3	178.7	87.0
<b>EBITDA from continuing operations</b>	<b>157.9</b>	<b>108.8</b>	<b>436.0</b>	<b>308.9</b>
<b>Add back (deduct) pre-tax:</b>				
Unrealized gain on investments held for self-insured liabilities	(1.3)	(0.5)	(6.9)	(0.6)
Severances related to organizational reshaping	2.5	-	2.5	-
<b>Adjusted EBITDA from continuing operations</b>	<b>159.1</b>	<b>108.3</b>	<b>431.6</b>	<b>308.3</b>

	Quarter Ended Sep 30		Three Quarters Ended Sep 30	
	2019	2018	2019	2018
<i>(In millions of Canadian dollars, except per share amounts)</i>				
<b>Net income from continuing operations</b>	<b>57.8</b>	<b>55.9</b>	<b>152.0</b>	<b>150.1</b>
<b>Add back (deduct) after tax:</b>				
Amortization of intangible assets related to acquisitions <sup>(1)</sup>	7.6	5.7	22.7	21.5
Unrealized gain on investments held for self-insured liabilities <sup>(2)</sup>	(0.9)	(0.4)	(4.9)	(0.5)
Transition tax (recovery) expense <sup>(3)</sup>	-	(10.0)	1.1	(10.0)
Severances related to organizational reshaping <sup>(4)</sup>	1.8		1.8	
<b>Adjusted net income from continuing operations</b>	<b>66.3</b>	<b>51.2</b>	<b>172.7</b>	<b>161.1</b>
Weighted average number of shares outstanding - basic	111,539,779	113,868,318	111,672,688	113,935,950
Weighted average number of shares outstanding - diluted	111,547,779	113,868,318	111,672,688	114,101,964
<b>Adjusted earnings per share from continuing operations</b>				
Adjusted earnings per share - basic	<b>0.59</b>	<b>0.45</b>	<b>1.55</b>	<b>1.41</b>
Adjusted earnings per share - diluted	<b>0.59</b>	<b>0.45</b>	<b>1.55</b>	<b>1.41</b>

See the Definitions section of our 2018 Annual Report and Q3 19 Management's Discussion and Analysis for our 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.

<sup>(1)</sup> 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 September 30, 2019, this amount is net of tax of \$3.0 (2018 - \$2.6). For the three quarters ended September 30, 2019, this amount is net of tax of \$8.8 (2018 - \$9.2).

<sup>(2)</sup> For the quarter ended September 30, 2019, this amount is net of tax of \$0.4 (2018 - \$0.1). For the three quarters ended September 30, 2019, this amount is net of tax of \$2.0 (2018 - \$0.1).

<sup>(3)</sup> Refer to Income Taxes section for further details.

<sup>(4)</sup> For the quarter ended September 30, 2019, this amount is net of tax of \$0.7 (2018 - nil). For the three quarters ended September 30, 2019, this amount is net of tax of \$0.7 (2018 - nil).





**IFRS 16 Impact on Statement of Financial Position at January 1, 2019**

	IFRS 16 \$	Before IFRS 16 \$	Increase (Decrease) \$
<i>(In millions of Canadian dollars)</i>			
<b>Current assets</b>			
Trade and other receivables	828.1	878.1	(50.0)
Prepaid expenses	43.9	56.8	(12.9)
Other assets	24.3	23.2	1.1
<b>Non-current assets</b>			
Lease assets	561.8	-	561.8
Intangible assets	242.0	247.7	(5.7)
Other assets	178.2	175.5	2.7
<b>Total increase in assets</b>			497.0
<b>Current liabilities</b>			
Trade and other payables	566.9	567.2	(0.3)
Lease liabilities	44.8	-	44.8
Provisions	41.7	42.4	(0.7)
Other liabilities	5.0	23.2	(18.2)
<b>Non-current liabilities</b>			
Lease liabilities	600.2	-	600.2
Provisions	86.6	78.2	8.4
Deferred tax liabilities	45.6	54.3	(8.7)
Other liabilities	10.9	105.4	(94.5)
<b>Shareholders' equity</b>			
Retained earnings	817.2	851.2	(34.0)
<b>Total increase in liabilities and equity</b>			497.0



## IFRS 16 Impact on Statement of Income – Continuing Operations

	Quarter Ended Sep 30			Three Quarters Ended Sep 30		
	2019 as Reported \$	2019 before IFRS 16 \$	Increase (Decrease) \$	2019 as Reported \$	2019 before IFRS 16 \$	Increase (Decrease) \$
<i>(In millions of Canadian dollars)</i>						
<b>Impact on income statement items</b>						
Administrative and marketing expenses	355.6	390.6	(35.0)	1,085.1	1,190.9	(105.8)
Net interest expense	17.2	9.0	8.2	52.1	27.6	24.5
Depreciation of lease assets	29.3	-	29.3	85.2	-	85.2
Net income	57.8	59.6	(1.8)	152.0	154.8	(2.8)
<b>Impact on non-IFRS financial measures <sup>(1)</sup></b>						
EBITDA	157.9	122.9	35.0	436.0	330.2	105.8
Adjusted EBITDA	159.1	124.1	35.0	431.6	325.8	105.8
Net debt/adjusted EBITDA - Continuing operations	1.6	2.1	(0.5)	1.6	2.1	(0.5)

*Non-IFRS measures are discussed in the Definitions section of our 2018 Annual Report and this MD&A. Net debt/adjusted EBITDA was calculated using a proforma IFRS 16 adjustment for Q4 18 adjusted EBITDA, calculated as 3.8% of net revenue from the respective quarter.*

## IFRS 16 Impact on Statement of Cash Flows – Continuing Operations

	Quarter Ended Sep 30			Three Quarters Ended Sep 30		
	2019 as Reported \$	2019 before IFRS 16 \$	Increase (Decrease) \$	2019 as Reported \$	2019 before IFRS 16 \$	Increase (Decrease) \$
<i>(In millions of Canadian dollars)</i>						
<b>Cash flows from operating activities</b>	139.0	108.2	30.8	212.8	129.4	83.4
Cash paid to suppliers	370.5	331.5	39.0	(1,251.8)	(1,359.7)	107.9
Interest paid	(17.5)	(9.3)	(8.2)	(53.8)	(29.3)	(24.5)
<b>Cash flows used in investing activities</b>	(29.9)	4.4	(34.3)	(165.5)	(123.6)	(41.9)
Proceeds from leasehold inducements	-	34.3	(34.3)	-	41.9	(41.9)
<b>Cash flows (used in) from financing activities</b>	(54.7)	(58.2)	3.5	(56.7)	(15.2)	(41.5)
Payments of lease obligations	(30.8)	-	(30.8)	(83.4)	-	(83.4)
Proceeds from leasehold inducements	34.3	-	34.3	41.9	-	41.9



## Gross Margin by Business Operating Unit

	Quarter Ended Sep 30, 2019		Quarter Ended Sep 30, 2018		Three Quarters Ended Sep 30, 2019		Three Quarters Ended Sep 30, 2018	
<i>(In millions of Canadian dollars, except percentages)</i>	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue
Buildings	115.8	55.4%	93.2	53.2%	348.8	55.4%	292.6	53.6%
Energy & Resources	64.9	49.3%	68.0	50.3%	193.3	48.9%	193.8	50.8%
Environmental Services	83.7	55.5%	69.8	56.0%	238.2	56.0%	199.6	56.2%
Infrastructure	150.9	54.2%	130.1	53.9%	431.7	53.9%	377.4	54.1%
Water	100.8	55.1%	94.2	55.1%	310.1	55.4%	302.4	56.1%
<b>Total</b>	<b>516.1</b>	<b>54.2%</b>	<b>455.3</b>	<b>53.7%</b>	<b>1,522.1</b>	<b>54.2%</b>	<b>1,365.8</b>	<b>54.2%</b>

*Comparative figures have been reclassified due to a realignment of several business lines.*





### Gross Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Sep 30, 2019	Quarter Ended Sep 30, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	266.2	231.1	35.1	27.5	1.6	6.0	2.6%
Energy & Resources	146.7	153.1	(6.4)	-	(0.7)	(5.7)	(3.7%)
Environmental Services	210.8	174.1	36.7	5.9	0.1	30.7	17.6%
Infrastructure	376.5	302.6	73.9	11.3	1.7	60.9	20.1%
Water	241.3	225.7	15.6	-	(1.4)	17.0	7.5%
<b>Total</b>	<b>1,241.5</b>	<b>1,086.6</b>	<b>154.9</b>	<b>44.7</b>	<b>1.3</b>	<b>108.9</b>	
<b>Percentage growth</b>			<b>14.3%</b>	<b>4.1%</b>	<b>0.2%</b>	<b>10.0%</b>	

*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 by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Three Quarters Ended Sep 30, 2019	Three Quarters Ended Sep 30, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	796.6	706.5	90.1	69.6	14.4	6.1	0.9%
Energy & Resources	456.8	437.6	19.2	20.2	2.2	(3.2)	(0.7%)
Environmental Services	574.7	497.5	77.2	22.5	6.1	48.6	9.8%
Infrastructure	1,052.8	874.0	178.8	51.1	18.0	109.7	12.6%
Water	736.2	684.3	51.9	1.8	6.4	43.7	6.4%
<b>Total</b>	<b>3,617.1</b>	<b>3,199.9</b>	<b>417.2</b>	<b>165.2</b>	<b>47.1</b>	<b>204.9</b>	
<b>Percentage growth</b>			<b>13.0%</b>	<b>5.2%</b>	<b>1.4%</b>	<b>6.4%</b>	

*Comparative figures have been reclassified due to a realignment of several business lines and to conform to the presentation adopted for the current period.*



### Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Sep 30, 2019	Quarter Ended Sep 30, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	209.0	175.2	33.8	25.0	1.0	7.8	4.5%
Energy & Resources	131.7	135.3	(3.6)	-	-	(3.6)	(2.7%)
Environmental Services	150.9	124.6	26.3	4.8	0.1	21.4	17.2%
Infrastructure	278.2	241.5	36.7	10.5	1.3	24.9	10.3%
Water	182.8	170.9	11.9	-	(0.7)	12.6	7.4%
<b>Total</b>	<b>952.6</b>	<b>847.5</b>	<b>105.1</b>	<b>40.3</b>	<b>1.7</b>	<b>63.1</b>	
<b>Percentage growth</b>			<b>12.4%</b>	<b>4.8%</b>	<b>0.2%</b>	<b>7.4%</b>	

Comparative figures have been reclassified due to a realignment of several business lines and to conform to the presentation adopted for the current period.

### Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Three Quarters Ended Sep 30, 2019	Three Quarters Ended Sep 30, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	630.0	546.3	83.7	63.1	10.9	9.7	1.8%
Energy & Resources	394.9	381.7	13.2	18.4	2.9	(8.1)	(2.1%)
Environmental Services	425.4	354.9	70.5	18.8	5.1	46.6	13.1%
Infrastructure	800.3	697.8	102.5	47.3	13.5	41.7	6.0%
Water	559.7	538.9	20.8	1.6	5.4	13.8	2.6%
<b>Total</b>	<b>2,810.3</b>	<b>2,519.6</b>	<b>290.7</b>	<b>149.2</b>	<b>37.8</b>	<b>103.7</b>	
<b>Percentage growth</b>			<b>11.5%</b>	<b>5.9%</b>	<b>1.5%</b>	<b>4.1%</b>	

Comparative figures have been reclassified due to a realignment of several business lines and to conform to the presentation adopted for the current period.