

Gross Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2019	Quarter Ended Dec 31, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	336.1	319.2	16.9	-	n/a	16.9	5.3%
United States	659.7	572.0	87.7	-	(0.6)	88.3	15.4%
Global	214.4	192.7	21.7	25.2	(4.4)	0.9	0.5%
Total	1,210.2	1,083.9	126.3	25.2	(5.0)	106.1	
Percentage growth			11.7%	2.3%	(0.4%)	9.8%	

Net Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Dec 31, 2019	Quarter Ended Dec 31, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Canada	273.2	268.9	4.3	-	n/a	4.3	1.6%
United States	466.1	425.5	40.6	-	(0.4)	41.0	9.6%
Global	161.7	141.2	20.5	23.8	(2.6)	(0.7)	(0.5%)
Total	901.0	835.6	65.4	23.8	(3.0)	44.6	
Percentage growth			7.8%	2.8%	(0.3%)	5.3%	

Gross Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Year Ended Dec 31, 2019	Year Ended Dec 31, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Canada	1,283.1	1,275.8	7.3	23.0	n/a	(15.7)	(1.2%)
United States	2,688.1	2,334.6	353.5	6.7	56.6	290.2	12.4%
Global	856.1	673.4	182.7	160.7	(14.5)	36.5	5.4%
Total	4,827.3	4,283.8	543.5	190.4	42.1	311.0	
Percentage growth			12.7%	4.4%	1.0%	7.3%	

Net Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Year Ended Dec 31, 2019	Year Ended Dec 31, 2018	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	1,109.5	1,087.8	21.7	20.2	n/a	1.5	0.1%
United States	1,947.6	1,774.4	173.2	6.0	43.5	123.7	7.0%
Global	654.2	493.0	161.2	146.8	(8.7)	23.1	4.7%
Total	3,711.3	3,355.2	356.1	173.0	34.8	148.3	
Percentage growth			10.6%	5.2%	1.0%	4.4%	

n/a = not applicable

Gross Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended	Quarter Ended	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
	Dec 31, 2019	Dec 31, 2018					
Buildings	256.7	232.2	24.5	25.2	(0.2)	(0.5)	(0.2%)
Energy & Resources	156.3	159.9	(3.6)	-	(2.2)	(1.4)	(0.9%)
Environmental Services	213.9	185.3	28.6	-	(0.8)	29.4	15.9%
Infrastructure	348.9	295.3	53.6	-	(0.6)	54.2	18.4%
Water	234.4	211.2	23.2	-	(1.2)	24.4	11.6%
Total	1,210.2	1,083.9	126.3	25.2	(5.0)	106.1	
Percentage growth			11.7%	2.3%	(0.4%)	9.8%	

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended	Quarter Ended	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
	Dec 31, 2019	Dec 31, 2018					
Buildings	198.0	172.1	25.9	23.8	(0.1)	2.2	1.3%
Energy & Resources	130.2	131.4	(1.2)	-	(1.3)	0.1	0.1%
Environmental Services	141.6	125.4	16.2	-	(0.3)	16.5	13.2%
Infrastructure	254.9	237.7	17.2	-	(0.6)	17.8	7.5%
Water	176.3	169.0	7.3	-	(0.7)	8.0	4.7%
Total	901.0	835.6	65.4	23.8	(3.0)	44.6	
Percentage growth			7.8%	2.8%	(0.3%)	5.3%	

Gross Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Year Ended	Year Ended	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
	Dec 31, 2019	Dec 31, 2018					
Buildings	1,053.3	938.7	114.6	94.8	14.2	5.6	0.6%
Energy & Resources	613.1	597.5	15.6	20.2	-	(4.6)	(0.8%)
Environmental Services	788.6	682.8	105.8	22.5	5.3	78.0	11.4%
Infrastructure	1,401.7	1,169.3	232.4	51.1	17.4	163.9	14.0%
Water	970.6	895.5	75.1	1.8	5.2	68.1	7.6%
Total	4,827.3	4,283.8	543.5	190.4	42.1	311.0	
Percentage growth			12.7%	4.4%	1.0%	7.3%	

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Year Ended	Year Ended	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
	Dec 31, 2019	Dec 31, 2018					
Buildings	828.0	718.4	109.6	86.9	10.8	11.9	1.7%
Energy & Resources	525.1	513.1	12.0	18.4	1.6	(8.0)	(1.6%)
Environmental Services	567.0	480.3	86.7	18.8	4.8	63.1	13.1%
Infrastructure	1,055.2	935.5	119.7	47.3	12.9	59.5	6.4%
Water	736.0	707.9	28.1	1.6	4.7	21.8	3.1%
Total	3,711.3	3,355.2	356.1	173.0	34.8	148.3	
Percentage growth			10.6%	5.2%	1.0%	4.4%	

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 Margin by Business Operating Unit

	Quarter Ended Dec 31, 2019		Quarter Ended Dec 31, 2018		Year Ended Dec 31, 2019		Year Ended Dec 31, 2018	
<i>(In millions of Canadian dollars, except percentages)</i>	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue
Buildings	108.0	54.5%	92.5	53.7%	456.8	55.2%	385.1	53.6%
Energy & Resources	62.9	48.3%	63.4	48.2%	256.2	48.8%	257.2	50.1%
Environmental Services	80.0	56.5%	71.0	56.6%	318.2	56.1%	270.6	56.3%
Infrastructure	137.9	54.1%	129.1	54.3%	569.6	54.0%	506.5	54.1%
Water	97.5	55.3%	93.4	55.3%	407.6	55.4%	395.8	55.9%
Total	486.3	54.0%	449.4	53.8%	2,008.4	54.1%	1,815.2	54.1%

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

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

			Increase
	IFRS 16	Before IFRS 16	(Decrease)
<i>(In millions of Canadian dollars)</i>	\$	\$	\$
Current assets			
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
Non-current assets			
Lease assets	561.8	-	561.8
Intangible assets	242.0	247.7	(5.7)
Other assets	178.2	175.5	2.7
Total increase in assets			497.0
Current liabilities			
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)
Non-current liabilities			
Lease liabilities	600.2	-	600.2
Provisions	86.6	78.2	8.4
Deferred tax liabilities	42.8	54.3	(11.5)
Other liabilities	10.9	105.4	(94.5)
Shareholders' equity			
Retained earnings	820.0	851.2	(31.2)
Total increase in liabilities and equity			497.0

IFRS 16 Impact on Statement of Income - Continuing Operations

	Year Ended Dec 31		
	2019	2019	Increase
<i>(In millions of Canadian dollars)</i>	as Reported	before IFRS 16	(Decrease)
	\$	\$	\$
Impact on income statement items			
Administrative and marketing expenses	1,433.6	1,576.6	(143.0)
Net interest expense	69.6	37.3	32.3
Depreciation of lease assets	115.8	-	115.8
Net income	194.4	198.1	(3.7)
Impact on non-IFRS financial measures ⁽¹⁾			
EBITDA	576.0	433.0	143.0
Adjusted EBITDA	574.4	431.4	143.0
Net debt/adjusted EBITDA - Continuing operations	1.1	1.5	(0.4)

note: Non-IFRS measures are discussed in the Definitions section of Stantec's 2019 Annual Report.

IFRS 16 Impact on Statement of Cash Flows - Continuing Operations

	Year Ended Dec 31		
	2019	2019	Increase
<i>(In millions of Canadian dollars)</i>	as Reported	before IFRS 16	(Decrease)
	\$	\$	\$
Cash flows from operating activities			
Cash paid to suppliers	(1,716.9)	(1,865.9)	149.0
Interest paid	(71.6)	(39.3)	(32.3)
Cash flows used in investing activities			
Proceeds from leasehold inducements	-	50.4	(50.4)
Cash flows (used in) from financing activities			
Payments of lease obligations	(116.7)	-	(116.7)
Proceeds from leasehold inducements	50.4	-	50.4

Reconciliation of Non-IFRS Financial Measures

	Year Ended Dec 31		Quarter Ended Dec 31	
	2019	2018	2019	2018
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	194.4	171.3	42.4	21.2
Add back:				
Income taxes	71.1	55.0	17.9	2.6
Net interest expense	69.6	28.7	17.5	9.3
Depreciation and amortization	240.9	115.1	62.2	28.1
EBITDA from continuing operations	576.0	370.1	140.0	61.2
Add back (deduct) pre-tax:				
Lease exit liability	-	12.8	-	12.8
Past service cost for pensions	-	4.7	-	4.7
Unrealized (gain) loss on investments held for self-insured liabilities	(7.9)	4.9	(1.0)	5.5
Severances related to organizational reshaping	6.3	-	3.8	-
Adjusted EBITDA from continuing operations	574.4	392.5	142.8	84.2

	Year Ended Dec 31		Quarter Ended Dec 31	
	2019	2018	2019	2018
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	194.4	171.3	42.4	21.2
Add back (deduct) after tax:				
Amortization of intangible assets related to acquisitions (note 1)	30.7	28.8	8.0	7.3
Lease exit liability (note 2)	-	9.4	-	9.4
Past service cost for pensions (note 3)	-	3.5	-	3.5
Unrealized (gain) loss on investments held for self-insured liabilities (note 4)	(5.7)	3.6	(0.8)	4.1
Transition tax (recovery) expense (note 5)	1.1	(10.0)	-	-
Severances related to organizational reshaping (note 6)	4.5	-	2.7	-
Adjusted net income from continuing operations	225.0	206.6	52.3	45.5
Weighted average number of shares outstanding - basic	111,550,424	113,733,118	111,202,939	113,142,068
Weighted average number of shares outstanding - diluted	111,550,424	113,822,318	111,209,359	113,158,097
Adjusted earnings per share from continuing operations				
Adjusted earnings per share - basic	2.02	1.82	0.47	0.40
Adjusted earnings per share - diluted	2.02	1.82	0.47	0.40

See the Definitions section of Stantec's 2019 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 year ended December 31, 2019, this amount is net of tax of \$11.2 (2018 - \$10.6). For the quarter ended December 31, 2019, this amount is net of tax of \$2.4 (2018 - \$1.4).

note 2: For the quarter and year ended December 31, 2019, this amount is net of tax of nil (2018 - \$3.4).

note 3: For the quarter and year ended December 31, 2019, this amount is net of tax of nil (2018 - \$1.2).

note 4: For the year ended December 31, 2019, this amount is net of tax of \$2.2 (2018 - (\$1.3)). For the quarter ended December 31, 2019, this amount is net of tax of \$0.2 (2018 - (\$1.4)).

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

note 6: For the year ended December 31, 2019, this amount is net of tax of \$1.8 (2018 - nil). For the quarter ended December 31, 2019, this amount is net of tax of \$1.1 (2018 - nil).

Stantec Inc.
Consolidated Statement of Cash Flows Indirect Method
(Unaudited)

Years Ended December 31 (In millions of Canadian dollars)	2019 \$	2018 \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		
Net income from continuing operations	194.4	171.3
Add (deduct) items not affecting cash:		
Depreciation of property and equipment	58.2	50.1
Depreciation of lease assets	115.8	-
Amortization of intangible assets	66.9	65.0
Deferred income taxes	15.1	0.5
Loss on sale of property and equipment	1.0	1.7
Realized gain on equity securities	(0.2)	(0.9)
Unrealized gain on equity securities	(7.9)	4.9
Share-based compensation	18.1	5.3
Provision for self-insured liabilities and claims	36.9	29.1
Share of income from joint ventures and associates	(0.8)	(1.6)
Other non-cash items	16.2	(7.1)
	513.7	318.3
Trade and other receivables	30.2	(149.8)
Unbilled receivables	20.2	(88.0)
Contract assets	(7.7)	(5.8)
Prepaid expenses	4.1	(1.2)
Income taxes recoverable	(32.5)	7.2
Trade and other payables	(94.3)	94.2
Deferred revenue	16.2	30.3
	(63.8)	(113.1)
Cash flows from operating activities from continuing operations	449.9	205.2