

Gross Revenue by Reportable Segment

<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)
Canada	325.6	326.3	(0.7)	2.4	n/a	(3.1)	(1.0%)
United States	704.2	586.9	117.3	-	6.3	111.0	18.9%
Global	211.7	173.4	38.3	42.3	(5.0)	1.0	0.6%
Total	1,241.5	1,086.6	154.9	44.7	1.3	108.9	
Percentage growth			14.3%	4.1%	0.2%	10.0%	

n/a = not applicable

Net Revenue by Reportable Segment

<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	% of Organic Growth
Canada	285.3	277.2	8.1	1.9	n/a	6.2	2.2%
United States	502.0	447.7	54.3	-	4.8	49.5	11.1%
Global	165.3	122.6	42.7	38.4	(3.1)	7.4	6.0%
Total	952.6	847.5	105.1	40.3	1.7	63.1	
Percentage growth			12.4%	4.8%	0.2%	7.4%	

n/a = not applicable

Gross Revenue by Reportable Segment

<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)
Canada	947.0	956.6	(9.6)	23.0	n/a	(32.6)	(3.4%)
United States	2,028.4	1,762.6	265.8	6.7	57.2	201.9	11.5%
Global	641.7	480.7	161.0	135.5	(10.1)	35.6	7.4%
Total	3,617.1	3,199.9	417.2	165.2	47.1	204.9	
Percentage growth			13.0%	5.2%	1.4%	6.4%	

n/a = not applicable

Net Revenue by Reportable Segment

<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)
Canada	836.3	818.9	17.4	20.2	n/a	(2.8)	(0.3%)
United States	1,481.5	1,348.9	132.6	6.0	43.9	82.7	6.1%
Global	492.5	351.8	140.7	123.0	(6.1)	23.8	6.8%
Total	2,810.3	2,519.6	290.7	149.2	37.8	103.7	
Percentage growth			11.5%	5.9%	1.5%	4.1%	

n/a = not applicable

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%
Total	1,241.5	1,086.6	154.9	44.7	1.3	108.9	
Percentage growth			14.3%	4.1%	0.2%	10.0%	

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%
Total	952.6	847.5	105.1	40.3	1.7	63.1	
Percentage growth			12.4%	4.8%	0.2%	7.4%	

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 Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Three Quarters	Three Quarters	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
	Ended Sep 30, 2019	Ended Sep 30, 2018					
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%
Total	3,617.1	3,199.9	417.2	165.2	47.1	204.9	
Percentage growth			13.0%	5.2%	1.4%	6.4%	

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Three Quarters	Three Quarters	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
	Ended Sep 30, 2019	Ended Sep 30, 2018					
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%
Total	2,810.3	2,519.6	290.7	149.2	37.8	103.7	
Percentage growth			11.5%	5.9%	1.5%	4.1%	

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

<i>(In millions of Canadian dollars, except percentages)</i>	Quarter Ended Sep 30, 2019		Quarter Ended Sep 30, 2018		Three Quarters Ended Sep 30, 2019		Three Quarters Ended Sep 30, 2018	
	\$	% 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%
Total	516.1	54.2%	455.3	53.7%	1,522.1	54.2%	1,365.8	54.2%

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

	IFRS 16	Before IFRS 16	Increase (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	45.6	54.3	(8.7)
Other liabilities	10.9	105.4	(94.5)
Shareholders' equity			
Retained earnings	817.2	851.2	(34.0)
Total increase in liabilities and equity			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>						
Impact on income statement items						
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)
Impact on non-IFRS financial measures ⁽¹⁾						
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)

note: 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>						
Cash flows from operating activities						
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)
Cash flows used in investing activities	(29.9)	4.4	(34.3)	(165.5)	(123.6)	(41.9)
Proceeds from leasehold inducements	-	34.3	(34.3)	-	41.9	(41.9)
Cash flows (used in) from financing activities	(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

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>				
Net income from continuing operations	57.8	55.9	152.0	150.1
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
EBITDA from continuing operations	157.9	108.8	436.0	308.9
Add back (deduct) pre-tax:				
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	-
Adjusted EBITDA from continuing operations	159.1	108.3	431.6	308.3

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

See the Definitions section of Stantec's 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.

(1) The add back of intangible amortization relates only to the amortization from intangible assets acquired through acquisitions and excludes the amortization of software purchased by Stantec. For the quarter ended 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).

(2) 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).

(3) Refer to Income Taxes section for further details.

(4) 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).

Stantec Inc.

Consolidated Statement of Cash Flows Indirect Method

(Unaudited)

	For the quarter ended September 30	For the three quarters ended September 30
	2019	2019
	\$	\$
<i>(In millions of Canadian dollars)</i>		
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		
Net income from continuing operations	57.8	152.0
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
	140.7	402.5
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)
	(1.7)	(189.7)
Cash flows from operating activities from continuing operations	139.0	212.8