

Gross Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020	Q2 2019	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	292.9	313.5	(20.6)	-	n/a	(20.6)	(6.6%)
United States	713.3	687.9	25.4	-	25.0	0.4	0.1%
Global	199.4	222.7	(23.3)	-	(1.8)	(21.5)	(9.7%)
Total	1,205.6	1,224.1	(18.5)	-	23.2	(41.7)	
Percentage growth			(1.5%)	0.0%	1.9%	(3.4%)	

Net Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020	Q2 2019	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Canada	261.1	280.1	(19.0)	-	n/a	(19.0)	(6.8%)
United States	532.1	502.1	30.0	-	18.3	11.7	2.3%
Global	157.9	171.4	(13.5)	-	(0.9)	(12.6)	(7.4%)
Total	951.1	953.6	(2.5)	-	17.4	(19.9)	
Percentage growth			(0.3%)	0.0%	1.8%	(2.1%)	

Gross Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020 YTD	Q2 2019 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Canada	603.8	621.4	(17.6)	-	n/a	(17.6)	(2.8%)
United States	1,402.9	1,324.2	78.7	-	30.4	48.3	3.6%
Global	419.4	430.0	(10.6)	13.1	(7.3)	(16.4)	(3.8%)
Total	2,426.1	2,375.6	50.5	13.1	23.1	14.3	
Percentage growth			2.1%	0.6%	0.9%	0.6%	

Net Revenue by Reportable Segment

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020 YTD	Q2 2019 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	536.9	551.0	(14.1)	-	n/a	(14.1)	(2.6%)
United States	1,041.1	979.5	61.6	-	22.6	39.0	4.0%
Global	328.3	327.2	1.1	12.3	(4.8)	(6.4)	(2.0%)
Total	1,906.3	1,857.7	48.6	12.3	17.8	18.5	
Percentage growth			2.6%	0.7%	0.9%	1.0%	

Gross Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020	Q2 2019	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	258.7	269.4	(10.7)	-	5.5	(16.2)	(6.0%)
Energy & Resources	152.5	157.6	(5.1)	-	0.5	(5.6)	(3.6%)
Environmental Services	184.1	189.9	(5.8)	-	4.0	(9.8)	(5.2%)
Infrastructure	353.5	356.1	(2.6)	-	8.3	(10.9)	(3.1%)
Water	256.8	251.1	5.7	-	4.9	0.8	0.3%
Total	1,205.6	1,224.1	(18.5)	-	23.2	(41.7)	
Percentage growth			(1.5%)	0.0%	1.9%	(3.4%)	

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020	Q2 2019	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Buildings	202.0	217.1	(15.1)	-	3.8	(18.9)	(8.7%)
Energy & Resources	135.2	131.5	3.7	-	1.1	2.6	2.0%
Environmental Services	141.1	143.4	(2.3)	-	3.0	(5.3)	(3.7%)
Infrastructure	271.7	270.6	1.1	-	5.8	(4.7)	(1.7%)
Water	201.1	191.0	10.1	-	3.7	6.4	3.4%
Total	951.1	953.6	(2.5)	-	17.4	(19.9)	
Percentage growth			(0.3%)	0.0%	1.8%	(2.1%)	

note: 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>	Q2 2020 YTD	Q2 2019 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	531.8	530.4	1.4	13.1	6.3	(18.0)	0.3%
Energy & Resources	329.4	310.1	19.3	-	(1.2)	20.5	6.2%
Environmental Services	364.5	359.6	4.9	-	4.3	0.6	1.4%
Infrastructure	695.6	682.5	13.1	-	9.4	3.7	1.9%
Water	504.8	493.0	11.8	-	4.3	7.5	2.4%
Total	2,426.1	2,375.6	50.5	13.1	23.1	14.3	
Percentage growth			2.1%	0.6%	0.9%	0.6%	

Net Revenue by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020 YTD	Q2 2019 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Buildings	420.9	421.0	(0.1)	12.3	4.4	(16.8)	(4.0%)
Energy & Resources	279.9	263.2	16.7	-	0.3	16.4	6.2%
Environmental Services	277.8	271.7	6.1	-	3.3	2.8	1.0%
Infrastructure	532.9	527.3	5.6	-	6.4	(0.8)	(0.2%)
Water	394.8	374.5	20.3	-	3.4	16.9	4.5%
Total	1,906.3	1,857.7	48.6	12.3	17.8	18.5	
Percentage growth			2.6%	0.7%	0.9%	1.0%	

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

Gross Margin by Business Operating Unit

<i>(In millions of Canadian dollars, except percentages)</i>	Q2 2020		Q2 2019		Q2 YTD 2020		Q2 YTD 2019	
	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue	\$	% of Net Revenue
Buildings	105.8	52.4%	120.9	55.7%	225.2	53.5%	233.0	55.3%
Energy & Resources	62.3	46.1%	64.4	49.0%	131.0	46.8%	128.4	48.8%
Environmental Services	76.9	54.5%	80.8	56.3%	152.8	55.0%	153.1	56.3%
Infrastructure	137.8	50.7%	144.5	53.4%	274.8	51.6%	283.8	53.8%
Water	106.9	53.2%	106.9	56.0%	212.6	53.9%	207.7	55.5%
Total	489.7	51.5%	517.5	54.3%	996.4	52.3%	1,006.0	54.2%

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

Reconciliation of Non-IFRS Financial Measures

	Quarter Ended Jun 30		Two Quarters Ended Jun 30	
	2020	2019	2020	2019
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	52.6	49.3	82.1	94.2
Add back:				
Income taxes	20.7	18.1	36.5	31.7
Net interest expense	12.5	17.7	27.5	34.9
Depreciation and amortization	59.1	60.8	117.4	117.3
EBITDA from continuing operations	144.9	145.9	263.5	278.1
Add back (deduct) pre-tax:				
Unrealized loss (gain) on investments held on equity securities	(4.4)	(0.5)	7.0	(5.6)
Impairment of lease assets	2.0	-	11.7	-
Adjusted EBITDA from continuing operations	142.5	145.4	282.2	272.5

	Quarter Ended Jun 30		Two Quarters Ended Jun 30	
	2020	2019	2020	2019
<i>(In millions of Canadian dollars, except per share amounts)</i>				
Net income from continuing operations	52.6	49.3	82.1	94.2
Add back (deduct) after tax:				
Amortization of intangible assets related to acquisitions ⁽¹⁾	6.9	8.1	14.0	15.1
Unrealized loss (gain) on investments held on equity securities ⁽²⁾	(3.2)	(0.3)	5.0	(4.0)
Impairment of lease assets ⁽³⁾	1.4	-	8.3	-
Reorganization tax expense ⁽⁴⁾	-	-	2.6	-
Transition tax expense ⁽⁴⁾	-	(1.0)	-	1.1
Adjusted net income from continuing operations	57.7	56.1	112.0	106.4
Weighted average number of shares outstanding - basic	111,346,512	111,676,731	111,355,426	111,740,256
Weighted average number of shares outstanding - diluted	111,851,675	111,684,858	111,804,674	111,740,256
Adjusted earnings per share from continuing operations				
Adjusted earnings per share - basic	0.52	0.50	1.01	0.95
Adjusted earnings per share - diluted	0.52	0.50	1.00	0.95

See the Definitions section of Stantec's 2019 Annual Report and Q2 2020 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 June 30, 2020, this amount is net of tax of \$2.9 (2019 - \$3.1). For the two quarters ended June 30, 2020, this amount is net of tax of \$5.7 (2019 - \$5.8).

(2): For the quarter ended June 30, 2020, this amount is net of tax of (\$1.2) (2019 - (\$0.2)). For the two quarters ended June 30, 2020, this amount is net of tax of \$2.0 (2019 - (\$1.6)).

(3): For the quarter ended June 30, 2020, this amount is net of tax of \$0.6 (2019 - nil). For the two quarters ended June 30, 2020, this amount is net of tax of \$3.4 (2019 - nil).

(4): Refer to Income Taxes section of Stantec's Q2 2020 MD&A for further details.

Stantec Inc.

Consolidated Statement of Cash Flows

Indirect Method

(Unaudited)

	For the quarter ended June 30		For the two quarters ended June 30	
	2020	2019	2020	2019
(In millions of Canadian dollars)	\$	\$	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net income from continuing operations	52.6	49.3	82.1	94.2
Add (deduct) items not affecting cash:				
Depreciation of property and equipment	14.9	14.7	29.4	28.4
Depreciation of lease assets	30.6	28.5	60.2	55.9
Impairment of lease assets	2.0	-	11.7	-
Amortization of intangible assets	13.6	17.6	27.8	33.0
Deferred income taxes	(0.9)	(0.7)	6.3	17.1
Loss on sale of property and equipment	1.4	0.2	1.8	0.4
Realized (loss) gain on equity securities	0.2	(0.1)	-	(0.1)
Unrealized gain (loss) on equity securities	(4.4)	(0.5)	7.0	(5.6)
Share-based compensation	7.7	4.0	9.9	8.3
Provision for self-insured liabilities and claims	19.7	17.2	29.8	24.2
Share of income from joint ventures and associates	(0.6)	(0.4)	(0.2)	(0.4)
Other non-cash items	3.7	3.6	3.4	6.4
	140.5	133.4	269.2	261.8
Trade and other receivables	49.2	(31.2)	50.4	(9.9)
Unbilled receivables	41.7	21.8	(48.0)	(41.9)
Contract assets	4.3	(4.7)	(6.7)	(6.7)
Prepaid expenses	(0.8)	1.7	(4.1)	(5.8)
Income taxes recoverable	(7.8)	17.2	(15.5)	6.8
Trade and other payables	37.7	23.8	(16.8)	(125.1)
Deferred revenue	(13.3)	0.3	(22.4)	(5.4)
	111.0	28.9	(63.1)	(188.0)
Cash flows used in operating activities from continuing operations	251.5	162.3	206.1	73.8