Second Quarter Report

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2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Management's Discussion and Analysis

August 13, 2025

This Management's Discussion and Analysis (MD&A) of Stantec Inc.'s (Stantec or the Company) operations, financial position, and cash flows for the quarter and the two quarters ended June 30, 2025, dated August 13, 2025, should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements and related notes for the quarter and the two quarters ended June 30, 2025, and the MD&A and audited consolidated financial statements and related notes included in our 2024 Annual Report filed on February 24, 2025.

Our unaudited interim consolidated financial statements and related notes for the quarter and the two quarters ended June 30, 2025, are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board. We continue to apply the same accounting policies as those used in 2024. Amendments to accounting standards adopted in the quarter and disclosed in note 3 of our unaudited interim consolidated financial statements for the quarter and the two quarters ended June 30, 2025 (incorporated herein by reference), did not have a material impact on the Company's consolidated financial statements or accounting policies. All amounts shown in this report are in Canadian dollars unless otherwise indicated.

Additional information regarding our Company, including our Annual Information Form, is available on SEDAR+ at sedarplus.ca and on EDGAR at sec.gov. Such additional information is not incorporated here by reference, unless otherwise specified, and should not be deemed to be part of this MD&A. Stantec trades on the TSX and the NYSE under the symbol STN. Visit us at stantec.com or find us on social media.

Non-IFRS Accounting Standards (non-IFRS) and Other Financial Measures

The Company reports its financial results in accordance with IFRS Accounting Standards. However, certain indicators used by the Company to analyze and evaluate its results are non-IFRS or other financial measures, including: adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA), adjusted net income, adjusted earnings per share (EPS), adjusted return on invested capital (ROIC), net debt to adjusted EBITDA, days sales outstanding (DSO), free cash flow, margin (percentage of net revenue), organic growth (retraction), acquisition growth, measures described as on a constant currency basis and the impact of foreign exchange or currency fluctuations, compound annual growth rate (CAGR), net debt, total capital managed, working capital, and current ratio, as well as measures and ratios calculated using these non-IFRS or other financial measures. These measures are categorized as non-IFRS financial measures and ratios, supplementary financial measures, or capital management measures and described in the Definitions of Non-IFRS and Other Financial Measures (Definitions) and Liquidity and Capital Resources sections and, where applicable, reconciliations from the non-IFRS measure to the most directly comparable measure calculated in accordance with IFRS Accounting Standards are provided (see the Q2 2025 Financial Highlights, Financial Performance, Liquidity and Capital Resources, and Definitions sections).

These non-IFRS and other financial measures do not have a standardized meaning under IFRS Accounting Standards and, therefore, may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, these non-IFRS and other financial measures provide useful information to investors to assist them in understanding components and trends in our financial results. These measures should not be considered in isolation or viewed as a substitute for the related financial information prepared in accordance with IFRS Accounting Standards.

Business Model

Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. Our professionals deliver the expertise, technology, and innovation communities need to manage aging infrastructure, demographic and population changes, the energy transition, and more. Our strategy is guided by our vision: the success of our clients, communities, and people worldwide is our greatest ambition. The diverse perspectives of our partners and interested parties drive us to think beyond what's previously been done on critical issues like climate change, digital transformation, and future-proofing our cities and infrastructure.

At Stantec, community means everyone with an interest in the work that we do—from our project teams and industry colleagues to our clients and the people our work impacts. The Stantec community unites approximately 32,000 employees working in over 450 locations across 6 continents. Please see page M-2 of Stantec's 2024 Annual Report for further details on our business model.

Strategic Acquisitions Completed in 2025 and 2024

Following is a list of acquisitions that contributed to revenue growth in our reportable segments and business operating units:

				BUSINESS OPERATING UNITS				
REPORTABLE SEGMENTS	**Date Acquired**	**Primary Location**	**# of Employees**	**Infrastructure**	**Water**	**Buildings**	**Environmental Services**	**Energy & Resources**
Canada								
Morrison Hershfield Group Inc. (Morrison Hershfield)	February 2024	Markham, Ontario	950	●	●	●	●	
United States								
Morrison Hershfield	February 2024	Atlanta, Georgia	200	●		●	●	
Global								
ZETCON Ingenieure GmbH (ZETCON)	January 2024	Bochum, Germany	645	●				
Hydrock Holdings Limited (Hydrock)	April 2024	Bristol, England	950	●		●		●
Ryan Hanley Limited (Ryan Hanley)	April 2025	Galway, Ireland	150		●			
Cosgroves Group Limited (Cosgroves)	June 2025	Christchurch, New Zealand	90			●		

Q2 2025 Financial Highlights

(In millions of Canadian dollars, except per share amounts and percentages)	For the quarter ended June 30, 2025 $	2025 % of Net Revenue	2024 $	2024 % of Net Revenue	For the two quarters ended June 30, 2025 $	2025 % of Net Revenue	2024 $	2024 % of Net Revenue
Gross revenue	**1,964.3**	**123.0%**	1,889.7	126.5%	**3,887.9**	**123.4%**	3,611.1	126.1%
Net revenue	**1,596.7**	**100.0%**	1,493.3	100.0%	**3,149.7**	**100.0%**	2,863.4	100.0%
Direct payroll costs	732.0	45.8%	681.6	45.6%	1,441.5	45.8%	1,309.2	45.7%
Project margin	**864.7**	**54.2%**	811.7	54.4%	**1,708.2**	**54.2%**	1,554.2	54.3%
Administrative and marketing expenses (note 1)	598.3	37.5%	578.4	38.7%	1,210.3	38.4%	1,124.3	39.3%
Depreciation of property and equipment	17.3	1.1%	17.2	1.2%	34.9	1.1%	33.0	1.2%
Depreciation of lease assets	31.1	1.9%	32.0	2.1%	63.3	2.0%	63.5	2.2%
Net (reversal) impairment of lease assets	(0.8)	(0.1%)	16.5	1.1%	(0.9)	—%	16.9	0.6%
Amortization of intangible assets	31.3	2.0%	31.8	2.1%	60.0	1.9%	62.8	2.2%
Net interest expense and other net finance expense	21.2	1.3%	27.4	1.8%	42.6	1.4%	51.6	1.8%
Other (income) expenses	(12.8)	(0.7%)	0.9	0.2%	(11.1)	(0.4%)	(4.8)	(0.2%)
Income taxes (note 1)	43.7	2.7 %	24.3	1.6%	73.6	2.3 %	46.6	1.6%
Net income (note 1)	**135.4**	**8.5%**	83.2	5.6%	**235.5**	**7.5%**	160.3	5.6%
Basic and diluted earnings per share (EPS) (note 1)	**1.19**	n/m	0.73	n/m	**2.06**	n/m	1.41	n/m
Adjusted EBITDA (note 2)	**284.4**	**17.8%**	247.3	16.6%	**536.7**	**17.0%**	459.2	16.0%
Adjusted net income (note 2)	**154.7**	**9.7%**	127.2	8.5%	**287.5**	**9.1%**	230.2	8.0%
Adjusted EPS (note 2)	**1.36**	n/m	1.12	n/m	**2.52**	n/m	2.02	n/m
Dividends declared per common share	**0.225**	n/m	0.210	n/m	**0.450**	n/m	0.420	n/m

note 1: Results for the quarter ended June 30, 2024 and for the two quarters ended June 30, 2024 have been retrospectively revised for the change in accounting policy related to the treatment of deferred payments from our historical acquisitions. Refer to the Critical Accounting Developments, Estimates, and Measurements section for further details.

note 2: Adjusted EBITDA, adjusted net income, and adjusted EPS are non-IFRS measures (discussed in the Definitions section).

n/m = not meaningful

Q2 2025 compared to Q2 2024

We achieved record adjusted net income of $154.7 million and adjusted earnings per share of $1.36, both reflecting increases over 20%, driven by net revenue growth and operational performance.

- Net revenue increased 6.9% or $103.4 million, to $1.6 billion, primarily driven by 4.8% organic growth. We achieved organic growth in all of our regional and business operating units, most notably in Water with double-digit organic growth.
- Project margin increased 6.5% or $53.0 million, to $864.7 million. As a percentage of net revenue, project margin was 54.2%, remaining in line with our expectations.
- Adjusted EBITDA increased 15.0% or $37.1 million, to $284.4 million. Adjusted EBITDA margin was 17.8%, an increase of 120 basis points compared to Q2 2024. The quarter-over-quarter increase in margin primarily reflects lower administrative and marketing expenses as a percentage of net revenue, due to lower claim provision expense and discretionary spending.

- Net income increased 62.7% or $52.2 million, to $135.4 million, and diluted EPS increased 63.0%, or $0.46, to $1.19, mainly due to increases in project margin and as a percentage of net revenue, lower administrative and marketing expenses partly offset by higher income tax expense. As well, Q2 2024 included a non-cash impairment charge of $16.5 million from our real estate optimization strategy.
- Adjusted net income grew 21.6% or $27.5 million, to $154.7 million, achieving 9.7% of net revenue—an increase of 120 basis points. Adjusted EPS increased 21.4% or $0.24, to $1.36.
- Contract backlog increased to $7.9 billion at June 30, 2025, achieving 9.9% overall growth year over year, which includes 9.0% organic growth. Organic growth was achieved in all of our regional operating units. Contract backlog represents approximately 12 months of work.
- Operating cash flows increased $59.3 million or 79.4%, with cash inflows of $134.0 million, reflecting solid operational performance and continued strong collection efforts.
- DSO was 73 days, a decrease of 4 days from Q1 2025 and below our target of 80 days.
- Net debt to adjusted EBITDA (on a trailing twelve-month basis) at June 30, 2025 was 1.1x, remaining within our internal target range of 1.0x to 2.0x.
- On July 31, 2025, we acquired Page, a 1,400-person architecture and engineering firm headquartered in Washington, DC that strategically complements our Buildings business and serves the advanced manufacturing, healthcare, mission critical, academic, civic, aviation, science and technology, and commercial markets.
- On April 8, 2025 we acquired Ryan Hanley, a 150-person engineering and environmental consultancy firm in Ireland, bolstering our offering in the Irish water sector.
- On June 27, 2025, we acquired Cosgroves, a 90-person firm, expanding our buildings engineering capabilities in New Zealand.
- On June 10, 2025, we issued $425 million senior unsecured notes due June 10, 2032 that bear interest at a fixed rate of 4.374% per annum. These notes were assigned an investment-grade credit rating of BBB by DBRS Limited.
- On June 11, 2025, we increased our unsecured revolving credit facility to $1.2 billion from $800 million and extended the maturity date to June 11, 2030 from June 27, 2029.
- On August 13, 2025, our Board of Directors declared a dividend of $0.225 per share, payable on October 15, 2025, to shareholders of record on September 29, 2025.

Year-to-date Q2 2025 compared to year-to-date Q2 2024

- Net revenue increased 10.0% or $286.3 million, to $3.1 billion, driven by 5.3% organic growth and 2.0% acquisition growth, as well as the positive impact of foreign exchange. We achieved organic growth in all of our regional and business operating units.
- Project margin increased $154.0 million or 9.9%, to $1,708.2 million. As a percentage of net revenue, project margin was 54.2%, remaining in line with our expectations.
- Adjusted EBITDA increased $77.5 million or 16.9%, to $536.7 million. Adjusted EBITDA margin increased by 100 basis points over the prior period to 17.0%, primarily reflecting lower administrative and marketing expenses as a percentage of net revenue, due to lower claim provision expense and discretionary spending.
- Net income increased 46.9% or $75.2 million, to $235.5 million, and diluted EPS increased 46.1%, or $0.65, to $2.06, mainly due to increases in project margin and as a percentage of net revenue, lower administrative and marketing expenses partly offset by higher income tax expense. As well, 2024 included a non-cash impairment charge of $16.5 million from our real estate optimization strategy.
- Adjusted net income grew 24.9% or $57.3 million, to $287.5 million, achieving 9.1% of net revenue—an increase of 110 basis points—and adjusted diluted EPS increased 24.8%, or 0.50, to 2.52.
- Operating cash flows increased $117.3 million or 100%, with cash inflows of $234.7 million, reflecting strong revenue growth, operational performance, and collection efforts.

Reconciliation of Non-IFRS Financial Measures

(In millions of Canadian dollars, except per share amounts)	For the quarter ended June 30, 2025	For the quarter ended June 30, 2024	For the two quarters ended June 30, 2025	For the two quarters ended June 30, 2024
Net income (note 1)	**135.4**	**83.2**	**235.5**	**160.3**
Add back (deduct):				
Income taxes (note 1)	43.7	24.3	73.6	46.6
Net interest expense	20.7	27.3	41.7	51.3
Net impairment of lease assets (note 2)	0.1	18.4	—	18.9
Depreciation and amortization	79.7	81.0	158.2	159.3
Unrealized (gain) loss on equity securities	(7.9)	(1.8)	0.8	(3.7)
Gain on sale of an investment interest	(3.7)	—	(3.7)	—
Acquisition, integration, and restructuring costs (note 1,6,7)	16.4	14.9	30.6	26.5
Adjusted EBITDA	**284.4**	**247.3**	**536.7**	**459.2**

(In millions of Canadian dollars, except per share amounts)	For the quarter ended June 30, 2025	For the quarter ended June 30, 2024	For the two quarters ended June 30, 2025	For the two quarters ended June 30, 2024
Net income (note 1)	**135.4**	**83.2**	**235.5**	**160.3**
Add back (deduct) after tax:				
Net impairment of lease assets (note 2)	0.1	14.4	—	14.7
Amortization of intangible assets related to acquisitions (note 3)	15.7	18.9	30.8	37.0
Unrealized (gain) loss on equity securities (note 4)	(6.1)	(1.4)	0.6	(2.9)
Gain on sale of an investment interest (note 5)	(2.8)	—	(2.8)	—
Acquisition, integration, and restructuring costs (note 1,6,7)	12.4	12.1	23.4	21.1
Adjusted net income	**154.7**	**127.2**	**287.5**	**230.2**
Weighted average number of shares outstanding - diluted	114,066,995	114,066,995	114,066,995	114,066,995
Adjusted earnings per share	**1.36**	**1.12**	**2.52**	**2.02**

See the Definitions section for our discussion of non-IFRS and other financial measures used and additional reconciliations of non-IFRS financial measures.

note 1: Results for the quarter ended June 30, 2024 and for the two quarters ended June 30, 2024 have been retrospectively revised for the change in accounting policy related to the treatment of deferred payments from our historical acquisitions. Refer to the Critical Accounting Developments, Estimates, and Measurements section for further details.

note 2: The net (reversal) impairment of lease assets includes onerous contracts associated with the impairment for the quarter ended June 30, 2025 of $0.9 (2024 - $1.9) and for the two quarters ended June 30, 2025 of $0.9 (2024 - $2.0). For the quarter ended June 30, 2025, this amount is net of tax of nil (2024 - $4.0). For the two quarters ended June 30, 2025, this amount is net of tax of nil (2024 -$4.2).

note 3: 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, 2025, this amount is net of tax of $5.1 (2024 - $5.4) and for the two quarters ended June 30, 2025, this amount is net of tax of $9.6 (2024 - $10.7).

note 4: For the quarter ended June 30, 2025, this amount is net of tax of $(1.8) (2024 - $(0.4)) and for the two quarters ended June 30, 2025, this amount is net of tax of $0.2 (2024 - $(0.8)).

note 5: For the quarter ended June 30, 2025, this amount is net of tax of $(0.9) (2024 - nil) and for the two quarters ended June 30, 2025, this amount is net of tax of $(0.9) (2024 - nil).

note 6: The add back of certain administrative and marketing costs and depreciation primarily related to acquisition and integration expenses associated with our acquisitions and restructuring costs. For the quarter ended June 30, 2025, this amount is net of tax of $4.1 (2024 - $3.5) and for the two quarters ended June 30, 2025, this amount is net of tax of $7.3 (2024 - $6.1).

note 7: Acquisition, integration, and restructuring cost include additional acquisition costs related to the change in accounting policy described in note 1 for the quarter ended June 30, 2025 of $0.1 (2024 - $1.8) and for the two quarters ended June 30, 2025, of $0.7 (2024 - $4.8).

Financial Targets - Revised

We are revising upward and narrowing certain targets contained within our 2025 guidance (provided on page M-10 in our 2024 Annual Report, incorporated here by reference) based on the strength of our financial performance to date and the outlook for the balance of this year, further described below in the Outlook section.

	Previously Published 2025 Annual Range	**Revised 2025 Annual Range**
Targets		
Net revenue growth	7% to 10%	10% to 12 %
Adjusted EBITDA as % of net revenue (note)	16.7% to 17.3%	17% to 17.4%
Adjusted net income as % of net revenue (note)	above 8.8%	above 8.8%
Adjusted EPS growth (note)	16% to 19%	18.5% to 21.5%
Adjusted ROIC (note)	above 12%	above 12.5%

In setting our targets and guidance, we assumed an average value for the US dollar of $1.36, GBP of $1.84, and AU of $0.90 for the remainder of the year. For all other underlying assumptions, see page M-23. These targets reflect the recent acquisitions of Ryan Hanley, Cosgroves, and Page. They do not include any assumptions regarding the impact of revaluing our share-based compensation, as further described below.

note: Adjusted EBITDA, adjusted net income, adjusted EPS, and adjusted ROIC are non-IFRS measures discussed in the Definitions section.

Outlook

The guidance provided in the Outlook section of our 2024 Annual Report (incorporated here by reference) was based on our expectation we would continue to see high levels of activities in all regions, despite heightened levels of market uncertainty remaining. While these heightened levels of market uncertainties persist in the near term, particularly in the US, global trends continue to drive strong demand for our services and our diversification of services across sectors and geographies creates resilience within our operations. On the strength of our performance year to date, the completion of two acquisitions within the second quarter, and the closure of Page on July 31, 2025, we have increased our expectations for our annual results.

We now expect to achieve net revenue growth of 10% to 12% in 2025, increasing the range from 7% to 10%, due to the acquisitions completed during the second quarter and the closing of the acquisition of Page in July, and supported by our continued expectations to achieve net revenue growth in the mid- to high-single digits. Our US organic growth outlook has now moderated slightly to mid-single digits due to slower procurement cycles persisting in the public sector in the near term, and elevated caution in the private sectors particularly for larger projects. We continue to expect Canada’s organic net revenue growth to be in the mid- to high-single digits, driven by continuing strong momentum and elevated backlog levels. We also continue to expect organic net revenue growth in Global in the mid to high single-digits, driven by continued high levels of activity in our Water business under the ongoing UK Asset Management Program (AMP) and framework agreements and positive demand fundamentals in the Energy & Resources business.

We have increased and narrowed the range for adjusted EBITDA margin slightly to 17.0% to 17.4%, from 16.7% to 17.3%, reflecting strong project margins driven by solid project execution and continued discipline and enhanced strategies in the management of administration and marketing costs. We expect adjusted EBITDA margin in Q3 2025 to be near or above the high end of this range because of increased seasonal activities in the northern hemisphere, offset by lower expected margins in Q4 of 2025 due to seasonal effects.

Our effective tax rate is now expected to fall within a range of 23.5% to 24.5%, an increase from 22% to 23%, due to the mix of earnings from the various jurisdictions we operate in and moderating impacts on tax planning strategies.

Overall, we continue to expect to drive adjusted net income to a margin of greater than 8.8% of net revenue; however, we now expect to deliver 18.5% to 21.5% growth in adjusted EPS in comparison to 2024, increased from 16% to 19% in our previous guidance, and adjusted ROIC greater than 12.5%.

The above targets do not include any assumptions for additional acquisitions beyond those noted in this Outlook section or further impact from significant share price movements subsequent to June 30, 2025, and the relative total shareholder return components on our share-based compensation programs.

Financial Performance

The following sections outline specific factors that affected the results of our operations in Q2 2025 and year to date Q2 2025.

Gross and Net Revenue

While providing professional services, we incur certain direct costs for subconsultants, equipment, and other expenditures that are recoverable directly from our clients. Revenue associated with these direct costs is included in gross revenue. Because these direct costs and associated revenue can vary significantly from contract to contract, changes in gross revenue may not be indicative of our revenue trends. Accordingly, we also report net revenue (which is gross revenue less subconsultant and other direct expenses) and analyze results in relation to net revenue rather than gross revenue.

In Q2 2025, we delivered net revenue of $1.6 billion, achieving an overall 6.9% increase compared to Q2 2024. Year to date, we delivered net revenue of $3.1 billion, an overall 10.0% increase. Solid performance contributed to organic growth in all of our geographies and business operating units. Public infrastructure spending and private investment continue to be key growth drivers in 2025, with strong demand across our water sectors and steady project work in our transportation sectors. Another key driver is the ongoing challenge to tackle climate change and resource security. The focus on Smart Cities and buildings, including hospitals, data centers, and other mission-critical facilities to meet the needs in the civic, healthcare, residential, and industrial markets, also continues to drive growth.

We generate over 75% of our gross revenue in foreign currencies, primarily in US dollars, British pounds (GBP), and Australian (AU) dollars. Fluctuations in these and other currencies had a net $19.2 million positive impact on our net revenue results in Q2 2025 compared to Q2 2024 and a net $77.6 million positive impact on our net revenue results year to date in 2025 compared to 2024:

- The US dollar averaged $1.37 in Q2 2024 and $1.38 in Q2 2025 —a 0.7% increase. Year to date, the US dollar averaged $1.36 in Q2 2024 and $1.41 in Q2 2025 — a 3.7% increase. The strengthening US dollar compared to the Canadian dollar had a positive effect on gross and net revenues.
- The GBP averaged $1.73 in Q2 2024 and $1.85 in Q2 2025—a 6.9% increase. Year to date, the GBP averaged $1.72 in Q2 2024 and $1.83 in Q2 2025 —a 6.4% increase. The strengthening GBP compared to the Canadian dollar had a positive effect on gross and net revenues.
- The AU dollar averaged $0.90 in Q2 2024 and $0.89 in Q2 2025—a 1.1% decrease. Year to date, the AU dollar averaged 0.89 in Q2 2024 and Q2 2025. The weakening AU dollar during the quarter compared to the Canadian dollar had a negative effect on gross and net revenues.

Fluctuations in other foreign currencies did not have a material impact on our gross and net revenue.

Revenue earned by acquired companies in the first 12 months following an acquisition is reported as revenue from acquisitions and thereafter as organic revenue.

Gross Revenue by Reportable Segment - Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025	Q2 2024	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	460.9	435.5	25.4	—	n/a	25.4	5.8%
United States	1,041.2	1,024.3	16.9	—	13.3	3.6	0.4%
Global	462.2	429.9	32.3	14.1	12.9	5.3	1.2 %
Total	1,964.3	1,889.7	74.6	14.1	26.2	34.3	
Percentage Growth			3.9%	0.7%	1.4%	1.8%	

Net Revenue by Reportable Segment - Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025	Q2 2024	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	393.7	370.7	23.0	—	n/a	23.0	6.2%
United States	819.6	775.6	44.0	—	10.0	34.0	4.4%
Global	383.4	347.0	36.4	12.4	9.2	14.8	4.3 %
Total	1,596.7	1,493.3	103.4	12.4	19.2	71.8	
Percentage Growth			6.9%	0.8%	1.3%	4.8%	

Gross Revenue by Reportable Segment - year-to-date Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025 YTD	Q2 2024 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Due to Organic Growth (Retraction)	% of Organic Growth
Canada	886.6	791.2	95.4	11.4	n/a	84.0	10.6%
United States	2,093.0	2,009.7	83.3	6.6	77.2	(0.5)	—%
Global	908.3	810.2	98.1	48.6	26.2	23.3	2.9 %
Total	3,887.9	3,611.1	276.8	66.6	103.4	106.8	
Percentage Growth			7.7%	1.8%	2.9%	3.0%	

Net Revenue by Reportable Segment - year-to-date Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025 YTD	Q2 2024 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Canada	765.8	694.4	71.4	9.0	n/a	62.4	9.0%
United States	1,624.5	1,509.5	115.0	5.6	57.6	51.8	3.4%
Global	759.4	659.5	99.9	41.7	20.0	38.2	5.8 %
Total	3,149.7	2,863.4	286.3	56.3	77.6	152.4	
Percentage Growth			10.0%	2.0%	2.7%	5.3%	

Gross Revenue by Business Operating Unit - Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025	Q2 2024	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Due to Organic Growth (Retraction)	% of Organic Growth (Retraction)
Infrastructure	523.3	525.1	(1.8)	2.3	7.4	(11.5)	(2.2%)
Water	427.4	391.3	36.1	3.9	7.7	24.5	6.3%
Buildings	435.3	420.0	15.3	6.5	4.8	4.0	1.0%
Environmental Services	373.2	372.0	1.2	—	4.3	(3.1)	(0.8%)
Energy & Resources	205.1	181.3	23.8	1.4	2.0	20.4	11.3%
Total	1,964.3	1,889.7	74.6	14.1	26.2	34.3	
Percentage Growth			3.9%	0.7%	1.4%	1.8%	

Net Revenue by Business Operating Unit - Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025	Q2 2024	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Infrastructure	430.3	421.1	9.2	1.7	5.8	1.7	0.4%
Water	355.5	308.7	46.8	3.2	5.2	38.4	12.4%
Buildings	345.3	325.4	19.9	6.6	3.5	9.8	3.0%
Environmental Services	286.2	276.4	9.8	—	3.3	6.5	2.4%
Energy & Resources	179.4	161.7	17.7	0.9	1.4	15.4	9.5%
Total	1,596.7	1,493.3	103.4	12.4	19.2	71.8	
Percentage Growth			6.9%	0.8%	1.3%	4.8%	

Gross Revenue by Business Operating Unit - year-to-date Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025 YTD	Q2 2024 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Infrastructure	1,037.7	988.3	49.4	15.0	26.5	7.9	0.8%
Water	850.2	771.3	78.9	4.4	26.2	48.3	6.3%
Buildings	870.3	803.9	66.4	39.4	21.1	5.9	0.7%
Environmental Services	718.0	694.0	24.0	0.4	20.0	3.6	0.5%
Energy & Resources	411.7	353.6	58.1	7.4	9.6	41.1	11.6%
Total	3,887.9	3,611.1	276.8	66.6	103.4	106.8	
Percentage Growth			7.7%	1.8%	2.9%	3.0%	

Net Revenue by Business Operating Unit - year-to-date Q2 2025

(In millions of Canadian dollars, except percentages)	Q2 2025 YTD	Q2 2024 YTD	Total Change	Change Due to Acquisitions	Change Due to Foreign Exchange	Change Due to Organic Growth	% of Organic Growth
Infrastructure	856.9	798.3	58.6	11.5	20.7	26.4	3.3%
Water	693.6	610.0	83.6	3.6	19.4	60.6	9.9%
Buildings	693.5	616.1	77.4	35.8	15.1	26.5	4.3%
Environmental Services	550.8	524.8	26.0	0.4	14.7	10.9	2.1%
Energy & Resources	354.9	314.2	40.7	5.0	7.7	28.0	8.9%
Total	3,149.7	2,863.4	286.3	56.3	77.6	152.4	
Percentage Growth			10.0%	2.0%	2.7%	5.3%	

Canada

We achieved 6.2% net revenue growth during the quarter and 10.3% year to date, reflecting strong organic growth and acquisition growth. We delivered robust growth in our Water, Energy & Resources, and Infrastructure businesses. Continued momentum on wastewater solution projects contributed to over 30% organic growth in Water and consistent progress on major power-intensive industrial processes projects drove double-digit organic growth in Energy & Resources. Solid growth in Infrastructure was primarily spurred by land development projects in Alberta, as well as year-to-date growth from transit and rail projects in eastern Canada and airport sector projects in Quebec. Public sector investment in western Canada drove growth in Buildings, primarily in our healthcare and civic markets.

United States

Net revenue increased 5.7% during the quarter and 7.6% year to date, reflecting solid organic growth and positive foreign exchange impacts. Organic growth was primarily driven by our Buildings and Environmental Services business operating units. Public and private investments across most of our sectors, particularly in mission critical, science and technology, and civic contributed to growth in Buildings. Growth in Environmental Services was primarily driven by our energy transition, mining, and infrastructure sectors, as well as continuing work for a large utility provider. In the quarter, growth in Water was driven by large public sector water supply and wastewater treatment projects and in Energy & Resources, growth was driven by the ramp up of a major hydropower dam project in the southwest.

Global

In our Global operations, we achieved net revenue growth of 10.5% during the quarter and 15.1% year to date, reflecting solid organic and acquisition growth, along with positive foreign exchange impacts. Our industry-leading Water business delivered double-digit organic growth across the UK, Australia, and New Zealand through long-term framework agreements and public sector investment in water infrastructure. The ramp up of new projects in Chile and Peru drove double-digit growth in Energy & Resources as the growing need for energy-transition solutions continued to drive demand in mining for copper. We also achieved double digit organic growth in our German Infrastructure business due to continued momentum on a major public sector energy transportation project and increased volume on transit and rail projects. This growth was partly offset by retractions in Buildings, due to the wind down of several significant projects in 2025 that contributed to double-digit growth last year, and overall softening in Australia's market conditions which impacted non-Water business lines.

Backlog

We define “backlog” as the total value of all contracts that have been awarded less the total value of work completed on these contracts as of the reporting date. Our backlog equates to our remaining performance obligations that are unsatisfied (or partially satisfied) at the end of the reporting period, as reported under IFRS Accounting Standards.

Our contract backlog at June 30, 2025 stands at $7.9 billion, reflecting an increase of $37.9 million since December 31, 2024, and represents approximately 12 months of work. Backlog grew organically by 2.7%, or $208.7 million, from December 31, 2024, primarily driven by our Canada and US operations and particularly in our Energy & Resources and Infrastructure businesses. Growth in our Global operations was driven by new project awards in our Infrastructure and Environmental Services businesses in Europe and AMP 8 project awards in our UK Water business, partly offset by a retraction in our Australian Buildings operation due to softening market conditions and high burn rates in our Water business.

Year over year, our backlog grew 9.9%, or $709.2 million, reflecting robust organic growth of 9.0%, or $641.1 million, across each of our geographies and in particular, double-digit growth in our Water and Energy & Resources businesses.

(In millions of Canadian dollars, except percentages)	**Jun 30, 2025**	**Dec 31, 2024**	**Total Change**	**Change Due to Acquisitions**	**Change Due to Foreign Exchange**	**Change Due to Organic Growth**	**% of Organic Growth**
Canada	1,786.6	1,687.1	99.5	—	n/a	99.5	5.9 %
United States	4,584.7	4,722.6	(137.9)	—	(230.5)	92.6	2.0 %
Global	1,490.5	1,414.2	76.3	16.1	43.6	16.6	1.2 %
Total	7,861.8	7,823.9	37.9	16.1	(186.9)	208.7	
Percentage Growth			0.5 %	0.2 %	(2.4)%	2.7 %	

Major Project Awards

We continue to secure major projects across various sectors, demonstrating our expertise and commitment to delivering impactful solutions for clients. Our strategic partnerships facilitated growth and expansion across the regions we serve and led to a number of highly impactful opportunities.

Canada

The Infrastructure team has been selected to support the City of Toronto's Bridge Program Management Assignments in Toronto, focused on the rehabilitation of 28 existing bridges. Through a partnership, our Buildings team has secured the Brantford Sports and Entertainment Centre Development project in Ontario, a progressive design-build multi-use venue that will serve as the new permanent home for the local hockey team, support large events, and play a central role in the City's downtown revitalization. Additionally, the Buildings team has been awarded planning, design, and compliance services for the Collingwood General and Marine Hospital Redevelopment in Ontario. This project will address the hospital's aging infrastructure and the community's growing healthcare needs.

United States

Our Buildings, Energy & Resources, and Community Development teams were awarded a confidential mission critical project for a major technology company where we will provide building engineering, technology, automation, and substation design as the prime consultant. The Infrastructure team was awarded a master service contract with the Virginia Department of Transportation, to provide engineering services for bridges and transportation structures. Our Water team was awarded the Green Infrastructure Design for Environmental Impact Bond for Buffalo Sewer Authority, where Stantec will design green infrastructure for 19 public schools, and over 500 individual green infrastructure installations within the public right-of-way of Buffalo's sewer system. The Energy & Resources team was awarded two large-scale pumped storage hydropower projects in the US, one in Arizona and one in California. As part of a joint venture, our Infrastructure and Energy & Resources teams were selected to lead multidiscipline architect-engineer and consulting services as part of a five-year, US$150 million single award contract. The project will directly support the US Navy's Shipyard Infrastructure Optimization Program.

Global

In the UK, the Infrastructure team was awarded a four-year framework with Transport for Greater Manchester where we will deliver a range of transport, design, engineering, and analysis services as well as program and project management support. In Taiwan, our Water and Environmental Services teams are collaborating on Google's Water Replenishment Project Sourcing, marking the technology giant's first water restoration project in Taiwan. This project is part of Google's global water replenishment initiative and environmental, social, and governance commitments, and highlights our use of nature-based solutions, which includes a gravel contact oxidation process for sustainable water treatment and watershed restoration.

Project Margin

In general, project margin fluctuations depend on the particular mix of projects in progress during any quarter and on project execution. The fluctuations reflect our business model, which is based on providing services across diverse geographic locations, business operating units, and all phases of the infrastructure and facilities project life cycle. For a definition of project margin, refer to the Financial Performance section of our 2024 Annual Report (incorporated here by reference).

Project margin in the quarter increased $53.0 million, or 6.5%, and as a percentage of net revenue, project margin slightly decreased to 54.2% from 54.4%. Year to date, project margin increased $154.0 million, or 9.9%, and as a percentage of net revenue, project margin remained consistent at 54.2% compared to 54.3% in 2024. Net revenue growth driven by strong public and private investments contributed to project margin increases and as a percentage of net revenue, project margin remained in line with our expectations.

Project Margin by Reportable Segment

	Quarter Ended Jun 30,				Two Quarters Ended Jun 30,			
	2025		2024		2025		2024	
(In millions of Canadian dollars, except percentages)	$	% of Net Revenue	$	% of Net Revenue	$	% of Net Revenue	$	% of Net Revenue
Canada	210.0	53.3%	197.3	53.2%	409.5	53.5%	369.6	53.2%
United States	451.4	55.1%	427.6	55.1%	895.1	55.1%	830.1	55.0%
Global	203.3	53.0%	186.8	53.8%	403.6	53.1%	354.5	53.8%
Total	864.7	54.2%	811.7	54.4%	1,708.2	54.2%	1,554.2	54.3%

Project Margin by Business Operating Unit

	Quarter Ended Jun 30,				Two Quarters Ended Jun 30,			
	2025		2024		2025		2024	
(In millions of Canadian dollars, except percentages)	$	% of Net Revenue	$	% of Net Revenue	$	% of Net Revenue	$	% of Net Revenue
Infrastructure	227.6	52.9%	223.1	53.0%	458.0	53.4%	423.4	53.0%
Water	191.5	53.9%	170.7	55.3%	373.8	53.9%	337.9	55.4%
Buildings	184.4	53.4%	174.9	53.7%	373.2	53.8%	335.0	54.4%
Environmental Services	164.1	57.3%	156.9	56.8%	312.7	56.8%	294.0	56.0%
Energy & Resources	97.1	54.1%	86.1	53.2%	190.5	53.7%	163.9	52.2%
Total	864.7	54.2%	811.7	54.4%	1,708.2	54.2%	1,554.2	54.3%

In Canada, project margin in the quarter increased $12.7 million to $210.0 million and year to date increased $39.9 million to $409.5 million. As a percentage of net revenue, project margin increased 10 basis points in the quarter to 53.3% and 30 basis points year to date to 53.5%. Solid project execution in Water and strong volume on higher margin work in Energy & Resources contributed to project margin increases.

In our US operations, project margin in the quarter increased $23.8 million to $451.4 million and year to date increased $65.0 million to $895.1 million. As a percentage of net revenue, project margin in the quarter remained consistent and increased 10 basis points year to date to 55.1%. Solid and consistent project execution throughout our businesses, particularly in Environmental Services and Infrastructure, was partly offset by the wind down of a major higher margin project in Water.

In our Global operations, project margin in the quarter increased $16.5 million to $203.3 million and year to date increased $49.1 million to $403.6 million As a percentage of net revenue, project margin was 53.0% in the quarter and 53.1% year to date, an 80 and 70 basis point decrease, respectively, compared to the comparative periods in 2024. The decrease was due to the wind down of several higher margin projects in Buildings and project mix. Partly offsetting the decrease was strong volume on higher margin work in Energy & Resources and solid project execution in Environmental Services.

Administrative and Marketing Expenses
Administrative and marketing expenses increased $19.9 million in Q2 2025 compared to Q2 2024 and decreased as a percentage of net revenue by 120 basis points to 37.5%. Year to date, administrative and marketing expenses increased $86.0 million compared to the prior period and decreased as a percentage of net revenue by 90 basis points to 38.4% in 2025. Overall, as a percentage of net revenue, claim provision estimates and discretionary spending were lower compared to 2024. As well, certain claim recoveries were recognized during the quarter. These decreases were partly offset by increased software costs that were incurred as part of our investment effort to support growth.

Net (Reversal) Impairment of Lease Assets
The net impairment reversal of lease assets was $0.9 million in the first two quarters of 2025 compared to a non-cash impairment charge of $16.9 million in 2024 related to our real estate optimization objectives outlined in our 2024-2026 Strategic Plan.

Net Interest Expense and Other Net Finance Expense
Net interest expense and other net finance expense decreased $6.2 million in the quarter and $9.0 million in the first two quarters of 2025. This was primarily due to lower interest rates on our revolving credit and term loan facilities and lower net debt due to lower draws on our revolving credit facility relative to 2024.

Other (Income) Expenses
Other income was $11.1 million in the first two quarters of 2025 compared to $4.8 million in the same period in 2024. The increase was primarily related to a gain of $3.7 million recognized on the sale of an investment interest.

Income Taxes
Our effective income tax rate increased from 22.6% in Q2 2024 to 24.4% in Q2 2025 and year to date from 22.5% in 2024 to 23.8% in 2025. For the quarter and year to date, the effective tax rate increased slightly from 2024 due to the mix of earnings from the various jurisdictions we operate in and moderating impacts on tax planning strategies.

Summary of Quarterly Results

The following table presents selected data derived from our consolidated financial statements for each of the eight most recently completed quarters. This information should be read in conjunction with the applicable interim unaudited and annual audited consolidated financial statements and related notes.

Quarterly Unaudited Financial Information

	2025		2024				2023	
(In millions of Canadian dollars, except per share amounts)	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Gross revenue	1,964.3	1,923.6	1,959.5	1,929.4	1,889.7	1,721.4	1,609.0	1,693.2
Net revenue	1,596.7	1,553.0	1,478.4	1,524.8	1,493.3	1,370.1	1,242.2	1,316.8
Net income	135.4	100.1	98.0	103.2	83.2	77.1	70.5	101.3
Diluted earnings per share	1.19	0.88	0.86	0.90	0.73	0.68	0.63	0.91
Adjusted net income (note)	154.7	132.8	126.2	147.9	127.2	103.0	91.4	126.7
Adjusted EPS (note)	1.36	1.16	1.11	1.30	1.12	0.90	0.82	1.14

note: Adjusted net income and adjusted EPS are non-IFRS measures further discussed in the Definitions section.

Quarterly EPS and adjusted EPS are not additive and may not equal the annual EPS reported. This is a result of the effect of shares issued on the weighted average number of shares.

The table below compares quarters, summarizing the impact of organic and acquisition growth and foreign exchange on net revenue:

(In millions of Canadian dollars)	**Q2 2025 vs. Q2 2024**	**Q1 2025 vs. Q1 2024**	**Q4 2024 vs. Q4 2023**	**Q3 2024 vs. Q3 2023**
Increase in net revenue due to				
Organic growth	71.8	80.6	116.0	85.4
Acquisition growth	12.4	43.9	94.9	103.0
Impact of foreign exchange rates on revenue earned by foreign subsidiaries	19.2	58.4	25.3	19.6
Total increase in net revenue	103.4	182.9	236.2	208.0

We experience variability in our results of operations from quarter to quarter due to the nature of the sectors and geographic locations we operate in. In the first and fourth quarters, we see slowdowns related to winter weather conditions in the northern hemisphere and holiday schedules. The increase in net revenue in Q2 2025 compared to Q2 2024 reflects organic growth, net positive foreign exchange impacts, and revenue contributions from acquisitions completed in the last twelve months. (See additional information on the operating results in our MD&A for each respective quarter.)

Statements of Financial Position

The following table highlights the major changes to assets, liabilities, and equity since December 31, 2024:

(In millions of Canadian dollars)	**Jun 30, 2025**	**Dec 31, 2024**
Total current assets	2,628.5	2,549.0
Property and equipment	290.1	299.0
Lease assets	447.2	474.3
Goodwill	2,701.5	2,712.5
Intangible assets	402.6	427.0
Net employee defined benefit asset	80.1	75.0
Deferred tax assets	122.8	119.3
Other assets	299.0	300.0
Total assets	**6,971.8**	6,956.1
Current portion of long-term debt	177.4	175.0
Current portion of provisions	75.8	66.4
Current portion of lease liabilities	117.8	113.6
All other current liabilities	1,453.2	1,624.0
Total current liabilities	1,824.2	1,979.0
Lease liabilities	486.0	528.6
Long-term debt	1,332.9	1,208.5
Provisions	156.2	167.9
Net employee defined benefit liability	20.7	22.4
Deferred tax liabilities	62.8	63.6
Other liabilities	45.9	41.0
Equity	3,043.1	2,945.1
Total liabilities and equity	**6,971.8**	6,956.1

Refer to the Liquidity and Capital Resources section for an explanation of the changes in current assets, current liabilities, and shareholders' equity.

The carrying amounts of assets and liabilities for our US operations and other global subsidiaries on our consolidated statements of financial position decreased due to the weakening of the US dollar relative to the Canadian dollar, partly offset by the strengthening of the British pound and Australian dollar relative to the Canadian dollar.

Decreases to long-term assets include depreciation and amortization expenses related to property and equipment, lease assets and intangible assets, partly offset by respective additions and modifications.

Partly offsetting the decrease to long-term assets are the Ryan Hanley and Cosgroves acquisitions, which increased goodwill by $35.7 million and intangible assets by $14.8 million. These values are based on a preliminary purchase price allocation and are pending a final determination of the fair value of the assets and liabilities acquired. The final allocation may differ from the preliminary allocation.

Total long-term debt increased $126.8 million due to the issuance of $425 million in senior unsecured notes, partly offset by repayments made on our revolving credit facility, notes payable, and software financing obligations. Lease liabilities decreased due to lease payments made partly offset by additions, modifications, and interest accretion.

Liquidity and Capital Resources

We are able to meet our liquidity needs through various sources, including cash generated from operations; long- and short-term borrowings (further described in the Capital Management section); and the issuance of common shares. We use funds primarily to pay operational expenses; complete acquisitions; sustain capital spending on property, equipment, and software; repay long-term debt; repurchase shares; and pay dividend distributions to shareholders.

We believe that internally generated cash flows, supplemented by borrowings, if necessary, will be sufficient to cover our normal operating and capital expenditures. However, under certain favorable market conditions, we do consider issuing common shares to facilitate acquisition growth or to reduce borrowings under our credit facilities.

Working Capital

The following table summarizes working capital information at June 30, 2025, compared to December 31, 2024:

(In millions of Canadian dollars, except ratios)	**Jun 30, 2025**	**Dec 31, 2024**
Current assets	**2,628.5**	2,549.0
Current liabilities	**1,824.2**	1,979.0
Working capital (note)	**804.3**	570.0
Current ratio (note)	**1.44**	1.29

note: See the Definitions section for our discussion of supplementary financial measures used.

The carrying amounts of assets and liabilities for our US operations and other global subsidiaries on our consolidated statements of financial position decreased due to the weakening of the US dollar relative to the Canadian dollar, partly offset by the strengthening of the British pound and Australian dollar relative to the Canadian dollar.

Current assets increased due to increases in cash and deposits of $116.0 million (explained in the Cash Flows section), higher income taxes recoverable due to the timing of installment payments, and higher subscription renewal fees for certain cloud-based software solutions contributed to higher prepaid expenses. These increases were partly offset by a collective decrease of $83.8 million in trade and other receivables, unbilled receivables, and contract assets from strong collection efforts in 2025.

Our DSO, defined in the Definitions section, was 73 days at June 30, 2025, a decrease of 4 days compared to March 31, 2025 and December 31, 2024, and below our stated internal guideline of 80 days.

The decrease in current liabilities was primarily related to the decrease in trade and other payables due to the timing of payroll, supplier payments, and lower subconsultant volumes, a decrease in deferred revenue due to the timing of billings, and a decrease in the current portion of other liabilities largely due to the settlement of cash-settled share-based compensation obligations.

Cash Flows

Our cash flows from and used in operating, investing, and financing activities are reflected in the consolidated statements of cash flows and are summarized below:

	Quarter Ended Jun 30,			Two Quarters Ended Jun 30,		
(In millions of Canadian dollars)	**2025**	**2024**	**Change**	**2025**	**2024**	**Change**
Cash flows from operating activities (note)	**134.0**	74.7	59.3	**234.7**	117.4	117.3
Cash flows used in investing activities	**(59.3)**	(164.4)	105.1	**(80.9)**	(572.5)	491.6
Cash flows from (used in) financing activities (note)	**34.5**	104.5	(70.0)	**(19.3)**	312.9	(332.2)

note: Cash flows from operating activities and cash flows from (used in) financing activities for the quarter ended June 30, 2024 and for the two quarters ended June 30, 2024 have been retrospectively revised for the change in accounting policy related to the treatment of deferred payments from our historical acquisitions. Refer to the Critical Accounting Developments, Estimates, and Measurements section for further details.

Cash Flows From Operating Activities

Cash flows from operating activities were $234.7 million, an increase of $117.3 million or 100% compared to 2024. The cash flow increase was primarily due to strong revenue growth, operational performance, and collection efforts. Partly offsetting the increase is higher tax installments paid.

Cash Flows Used in Investing Activities

Cash flows used in investing activities were $80.9 million compared to $572.5 million in 2024, a decrease of $491.6 million. Net cash used to fund our acquisitions of Ryan Hanley and Cosgroves was $36.8 million compared to $555.0 million for acquisitions completed in 2024. Cash used to purchase property and equipment and intangible assets of $35.1 million was also lower compared to $60.8 million in 2024. Partly offsetting these decreases, the net purchases of investments held for self-insured liabilities were $10.6 million compared to net proceeds of $39.1 million in the comparative period.

Cash Flows From (Used In) Financing Activities

Cash flows used in financing activities were $19.3 million, a $332.2 million increase in cash outflows compared to 2024. Cash outflows for long term debt were $312.1 million higher than 2024, primarily due to the net repayment of our revolving credit facility in 2025 compared to net proceeds in 2024. This was partly offset by the issuance of senior secured notes in the current period.

Capital Management

Our objective in managing Stantec's capital is to provide sufficient capacity to cover normal operating and capital expenditures and to have flexibility for financing future growth. We focus our capital allocations on increasing shareholder value through funding accretive acquisitions in pursuit of our growth strategy while maintaining a strong balance sheet, repurchasing shares opportunistically, and managing dividend increases to our target payout ratio in a sustainable manner.

We manage our capital structure according to our internal guideline of maintaining a net debt to adjusted EBITDA ratio (actual trailing twelve months) of less than 2.0 to 1.0. There may be occasions when we exceed our target by completing acquisitions that increase our debt level for a period of time.

(In millions of Canadian dollars, except ratios)	**Jun 30, 2025**	**Dec 31, 2024**
Current and non-current portion of long-term debt	**1,510.3**	1,383.5
Less: cash and cash equivalents	**(344.5)**	(228.5)
Bank indebtedness	**27.2**	17.1
Net debt	**1,193.0**	1,172.1
Shareholders' equity	**3,043.1**	2,945.1
Total capital managed	**4,236.1**	4,117.2
Trailing twelve months adjusted EBITDA (note)	**1,057.8**	980.3
Net debt to adjusted EBITDA ratio (note)	**1.1**	1.2

note: See the Definitions section for our discussion of non-IFRS measures used.

At June 30, 2025, our net debt to adjusted EBITDA ratio was 1.1x, remaining within our stated internal guideline and slightly lower compared to December 31, 2024.

Our credit facilities include:

- senior unsecured notes of $970 million, including $425 million of notes issued on June 10, 2025, that mature on June 10, 2032
- syndicated senior unsecured credit facilities of $1.5 billion, structured as a sustainability-linked loan, consisting of a revolving credit facility in the maximum of $1.2 billion and a term loan of $310 million (with access to additional funds of $600 million through an accordion feature), and an unsecured bilateral term credit facility of $100 million that was renewed on June 26, 2025 and extended the maturity date from June 28, 2025 to June 26, 2026
- an uncommitted unsecured multicurrency credit facility of £20 million and an overdraft facility of AU$5 million

We amended the syndicated senior unsecured credit facilities on June 11, 2025, which increased the senior revolving credit facility from $800 million to $1.2 billion and extended its maturity date from June 27, 2029 to June 11, 2030. The increase reflects the growth in our operations and credit capacity and ensures we have the flexibility to capitalize on growth opportunities.

We are required to comply with certain covenants as part of our senior unsecured notes, syndicated senior unsecured credit facilities, and unsecured bilateral term credit facility. The key financial covenants include, but are not limited to, ratios that measure our debt relative to our profitability (as defined by the credit facilities agreement).

At June 30, 2025, $1,209.8 million was available in our credit facilities for future activities and we were in compliance with the covenants related to our credit facilities as at and throughout the period ended June 30, 2025.

Shareholders' Equity

Shareholders' equity increased $98.0 million from December 31, 2024. The increase in shareholders' equity was mainly due to net income of $235.5 million earned in the first two quarters of 2025, partly offset with other comprehensive loss of $86.1 million, primarily related to exchange differences on translation of our foreign subsidiaries, and dividends declared of $51.4 million.

Our Normal Course Issuer Bid (NCIB) on the TSX was renewed on December 11, 2024, enabling us to repurchase up to 2,281,339 of our common shares during the period of December 13, 2024 to December 12, 2025. We also have an Automatic Share Purchase Plan with a broker that allows the purchase of common shares for cancellation under the NCIB at any time during predetermined trading blackout periods within certain pre-established parameters.

Other

Outstanding Share Data

Common shares outstanding were 114,066,995 at June 30, 2025 and August 13, 2025. No shares were repurchased from April 1, 2025 to August 13, 2025 under our NCIB or our Automatic Share Purchase Plan.

Contractual Obligations

The nature and extent of our contractual obligations did not change materially from those described in the Contractual Obligations section of our 2024 Annual Report (incorporated here by reference). Management believes sufficient liquidity is available to meet our contractual obligations as at June 30, 2025.

Off-Balance Sheet Arrangements

The nature and extent of our off-balance sheet arrangements did not change materially from those described in the Off-Balance Sheet Arrangements section of our 2024 Annual Report (incorporated here by reference).

Financial Instruments and Market Risk

At June 30, 2025, the nature and extent of our use of financial instruments did not change materially from those described in the Financial Instruments and Market Risk section of our 2024 Annual Report (incorporated here by reference).

Related-Party Transactions

Transactions with subsidiaries, structured entities, associated companies, joint ventures, and key management personnel are further described in note 32 of our audited consolidated financial statements for the year ended December 31, 2024 (included in our 2024 Annual Report and incorporated here by reference). At June 30, 2025, the nature and extent of these transactions were not materially different from those disclosed in the 2024 Annual Report.

Critical Accounting Developments, Estimates, and Measures

Recent Accounting Pronouncement
Accounting amendments effective in 2025 and disclosed in note 3 of our unaudited interim consolidated financial statements for the quarter ended June 30, 2025 (incorporated here by reference) did not have a material impact on the consolidated financial statements or accounting policies for the two quarters ended June 30, 2025.

Future Adoptions
Standards, amendments, and interpretations that we reasonably expect to be applicable at a future date and intend to adopt when they become effective are described in note 6 of our 2024 audited consolidated financial statements and note 3 of our unaudited interim consolidated financial statements for the quarter ended June 30, 2025 (both incorporated here by reference). We are currently considering the impact of adopting these standards, amendments, and interpretations on our consolidated financial statements.

Change in Accounting Policy
In April 2024, the IFRS Interpretations Committee (IFRIC) issued an agenda decision on *Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations)*. IFRS 3 requires contingent payments (including deferred payments) to employees or selling shareholders to be treated as contingent consideration in a business combination or as separate transactions, depending on the nature of the payments. The agenda decision provided clarification on how automatic forfeiture should be applied to payments in a business combination which may be contingent on the sellers' continued employment.

Historically we issued notes payable as purchase consideration that were contingent on selling shareholders complying with the terms of the acquisition agreement. Effective September 30, 2024, we performed a reassessment of our historical acquisitions, based on the IFRIC clarification, and revised the accounting for certain historical notes payable from purchase consideration to compensation for post-combination services. We have also changed the terms used in recent acquisition agreements to clarify that adjustments to the notes payable are not contingent on continued employment but adjusted based on factors relevant to the performance of the business. The reassessment was applied as a change in accounting policy, retrospectively to all prior periods presented. The impacts on our consolidated financial statements are disclosed in note 3 of our unaudited interim consolidated financial statements for the quarter ended June 30, 2025 (incorporated herein by reference).

Critical Accounting Estimates
The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires us to make various estimates and assumptions. However, future events may result in significant differences between estimates and actual results.

There has been no significant change in our critical accounting estimates from those described in our 2024 Annual Report in the Critical Accounting Estimates, Developments, and Measures section and in note 5 of our December 31, 2024 audited consolidated financial statements (incorporated here by reference).

Definitions of Non-IFRS and Other Financial Measures
This MD&A includes references to and uses measures and terms that are not specifically defined in IFRS Accounting Standards and do not have any standardized meaning prescribed by IFRS Accounting Standards. These measures and terms are defined below. These non-IFRS and other financial measures may not be comparable to similar measures presented by other companies. We believe that the measures defined here are useful for providing investors with additional information to assist them in understanding components of our financial results.

<u>Non-IFRS Financial Measures and Ratios</u>

Adjusted Measures
We use several adjusted financial measures because we believe they are useful for providing securities analysts, investors, and other interested parties with additional information to assist them in understanding components of our financial results (including a more complete understanding of factors and trends affecting our operating performance). These adjusted measures also provide supplemental measures of operating performance and improve comparability of operating results from one period to another, thus highlighting trends that may not otherwise be apparent when

relying solely on IFRS Accounting Standards financial measures. Unless otherwise noted, a reconciliation of these adjusted measures to the most directly comparable IFRS Accounting Standards measure is included on page M-5.

Adjusted EBITDA represents net income from continuing operations before interest expense, income taxes, depreciation of property and equipment, depreciation of lease assets, amortization of intangible assets, impairment charges and reversals thereof, acquisition, integration and restructuring costs, and other adjustments for other specific items that are significant but are not reflective of our underlying operations. Specific items are subjective; however, we use our judgement and informed decision-making when identifying items to be excluded in calculating our adjusted measures. We use adjusted EBITDA as a measure of pre-tax operating cash flow. The most comparable IFRS Accounting Standards measure for adjusted EBITDA is net income.

Adjusted Net Income represents net income from continuing operations excluding the amortization of intangibles acquired through acquisitions, impairment charges and reversals thereof, acquisition, integration and restructuring costs, and adjustments for other specific items that are significant but are not reflective of our underlying operations, all on an after-tax basis. Specific items are subjective; however, we use our judgement and informed decision-making when identifying items to be excluded in calculating our adjusted measures. We use adjusted net income as a measure of overall profitability. The most comparable IFRS Accounting Standards measure for adjusted net income is net income.

Adjusted Earnings Per Share (EPS**)** is a non-IFRS ratio calculated by dividing adjusted net income (defined above) by the diluted weighted average number of shares outstanding.

Adjusted Return on Invested Capital (ROIC) is a non-IFRS ratio that represents our full year adjusted net income (defined above) before tax-adjusted interest relative to our average aggregate net debt and adjusted shareholders' equity, determined annually. Average net debt and adjusted shareholders' equity are calculated using balances from past years. Adjusted shareholders' equity includes the impact of adjusted net income from continuing operations (as defined above). We use adjusted ROIC to evaluate annual returns generated on our debt and equity capital. The most comparable IFRS Accounting Standards measure for adjusted net income before tax-adjusted interest is net income. The most comparable measure for adjusted shareholders' equity is shareholders' equity.

Net Debt to Adjusted EBITDA. As part of our assessment of our capital structure, we monitor net debt to adjusted EBITDA, a non-IFRS ratio. It is defined as the sum of (1) long-term debt, including current portion, and bank indebtedness, less cash and cash equivalents, divided by (2) adjusted EBITDA (as defined above). Net debt to adjusted EBITDA is quantified in the Liquidity and Capital Resources section on page M-17.

Free Cash Flow is used to monitor the availability of discretionary cash as part of our capital management. It is defined as operating cash flows less capital expenditures and net lease payments. A reconciliation of free cash flow to its most comparable IFRS Accounting Standards measure, cash flows from operating activities, is included in the Additional Reconciliation of Non-IFRS Financial Measure on page M-21.

Margin. We calculate margin as a percentage of net revenue and monitor margin in comparison to our internal targets. Margin is a non-IFRS ratio when applied to non-IFRS financial measures.

Constant Currency Basis and Impact of Foreign Exchange. We monitor the impact of changing foreign exchange rates, quantify foreign exchange impacts, and, from time to time, prepare analyses on a constant currency basis (i.e., excluding the impact of foreign exchange) to better understand changes in activity. Amounts presented on a constant currency basis are non-IFRS financial measures; related fractions and percentages are non-IFRS ratios.

Compound Annual Growth Rate (CAGR) is a metric we use to evaluate the growth in our business. It represents the growth rate over a period of time on an annual compounded basis. CAGR is a non-IFRS ratio when applied to non-IFRS measures.

<u>Supplementary Financial Measures</u>

Days Sales Outstanding (DSO) is a metric we use to evaluate the efficiency of our working capital. It represents the average number of days to convert our trade receivables, unbilled receivables, contract assets, and deferred revenue to cash. We calculate DSO by annualizing gross revenue for the quarter as reported under IFRS Accounting Standards.

Organic Growth (Retraction) and Acquisition Growth. To evaluate our performance, we quantify the change in revenue and backlog as either related to organic growth (retraction), acquisition growth, or the impact of foreign exchange. Revenue and backlog earned by acquired companies in the first 12 months following an acquisition is reported as growth from acquisitions and thereafter as organic growth (retraction). Organic growth (retraction) excludes the impact of foreign currency fluctuations. From time to time, we also quantify the impacts of certain unusual events to organic growth (retraction) to provide useful information to investors to help better understand our financial results.

Margin (defined above) is a supplementary financial measure when applied to IFRS Accounting Standard measures.

Compound Annual Growth Rate (CAGR) (defined above) is a supplementary financial measure when applied to IFRS Accounting Standard financial measures.

Current ratio is a supplementary financial measure calculated by dividing current assets by current liabilities that we use in assessing overall liquidity.

Working capital is a supplementary financial measure that we use as a measure for assessing overall liquidity. It is calculated by subtracting current liabilities from current assets.

Capital Management Measures

Net debt and total capital managed are categorized as capital management measures and quantified on page M-17.

Additional Reconciliation of Non-IFRS Financial Measure

Free Cash Flow

	Quarter Ended Jun 30,		Two Quarters Ended Jun 30,	
(In millions of Canadian dollars)	**2025**	**2024**	**2025**	**2024**
Net cash flows from operating activities (note 1)	**134.0**	74.7	**234.7**	117.4
Less: capital expenditures (property and equipment and intangible assets)	**(19.0)**	(40.3)	**(35.1)**	(60.8)
Less: net lease payments	**(36.9)**	(33.0)	**(70.6)**	(54.2)
Free cash flow (note 1 and 2)	**78.1**	1.4	**129.0**	2.4

note 1: Net cash flows from operating activities and free cash flow for the quarter ended June 30, 2024 and for the two quarters ended June 30, 2024 have been retrospectively revised for the change in accounting policy related to the treatment of deferred payments from our historical acquisitions. Refer to the Critical Accounting Developments, Estimates, and Measurements section for further details.

note 2: See the Definitions section for a discussion of free cash flow, a non-IFRS measure.

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our CEO and CFO evaluated our disclosure controls and procedures (defined in the US Securities Exchange Act Rules 13a–15(e) and 15d–15(e) and as defined in Canada by National Instrument 52-109) as of the end of the period covered by this quarterly report. Based on the evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective at such date.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rules 13a–15 or 15d–15 under the Securities Exchange Act of 1934 that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Risk Factors

For the two quarters ended June 30, 2025, there has been no significant change in our risk factors from those described in our 2024 Annual Report (incorporated here by reference).

Subsequent Events

Page

On July 31, 2025, we purchased all the issued and outstanding membership interests of Page. Page is a 1,400-person architecture and engineering firm headquartered in Washington, DC serving the advanced manufacturing, healthcare, mission critical, academic, civic, aviation, science and technology, and commercial markets. This acquisition will primarily strengthen our Buildings operations in the United States cash generating unit (CGU).

US Tax

On July 4, 2025, the US government signed the “One Big Beautiful Bill Act” (Bill) into law. This Bill introduced a broad range of tax reform provisions affecting businesses with varying effective dates for key provisions. As the Bill was enacted subsequent to June 30,2025, the impact of the Bill is considered a non adjusting event and has not been reflected in our results. Certain provisions of the Bill will have an impact on our 2025 tax expense; however, we do not expect the impact to be material. As we complete the analysis, collect and prepare necessary data, and interpret any additional guidance, we may record significant impacts and/or make changes to our estimates.

US$100 million Bilateral Facility

On July 15, 2025, we entered into a US$100 million bilateral facility maturing on July 15, 2027, to provide access and flexibility for our US operations to manage working capital requirements.

Dividends

On August 13, 2025, our Board of Directors declared a dividend of $0.225 per share, payable on October 15, 2025, to shareholders of record on September 29, 2025.

Caution Regarding Forward-Looking Statements

Our public communications often include written or verbal forward-looking statements or forward-looking information within the meaning of the US Private Securities Litigation Reform Act and Canadian securities laws (forward-looking statements). Forward-looking statements are disclosures regarding possible events, conditions, or results of operations that are based on assumptions about future economic conditions or courses of action and include financial outlooks or future-oriented financial information. Any financial outlook or future-oriented financial information in this MD&A has been approved by management of Stantec. Such financial outlook or future-oriented financial information is provided for the purpose of providing information about management’s current expectations and plans relating to the future and may not be appropriate for other purposes.

Forward-looking statements may involve but are not limited to comments with respect to our objectives for 2025 and beyond, our strategies or future actions, our targets, our expectations for our financial condition or share price, or our outlook for our operations. Statements of this type may be contained in filings with securities regulators or in other communications and are contained in this report. Forward-looking statements in this report include but are not limited to the following:

- Our expectations in our Outlook section to address our revised targets and expectations for 2025:
    - Our belief that global trends continue to drive strong demand for our services, and our diversification of services across sectors and geographies creates resiliency within our operations;
    - Net revenue growth of 10% to 12%, with organic net revenue growth in the mid- to high-single digits;

    - Organic growth in the US region in the mid-single digits due to slower procurement cycles persisting in the public sector in the near term, and elevated caution in the private sectors particularly for larger projects;
    - Organic growth in Canada to be in the mid- to high- single digits driven by continuing strong momentum and elevated backlog levels;
    - Organic growth in the Global region in the mid- to high- single digits driven by continued high levels of activity in our Water business under the ongoing Asset Management Program and frameworks and positive demand fundamentals in the Energy & Resources business;
    - Adjusted EBITDA margin in the range of 17% to 17.4%, reflecting strong project margins driven by solid project execution and continued discipline and enhanced strategies in the management of administration and marketing costs.
    - Adjusted EBITDA margin in Q3 2025 is expected to be near or above the high end of this range because of increased seasonal activities in the northern hemisphere, offset by lower expected margins in Q4 of 2025 due to seasonal effects.
    - Our effective tax rate is expected to fall within a range of 23.5% to 24.5% due to the mix of earnings from the various jurisdictions we operate in and moderating impacts on tax planning strategies.
    - Adjusted net income as a percentage of net revenue above 8.8%;
    - Adjusted EPS growth in the range of 18.5% to 21.5%;
    - Adjusted ROIC expected to be above 12.5%;
- Our belief that public infrastructure spending; private investment; strong demand across our water sectors; steady project work in our transportation sector; the ongoing challenge to tackle climate change and resource security; Smart cities; and buildings, including hospitals, data centers, and other mission critical facilities, to meet civic, healthcare, residential and industrial markets, are key growth drivers;
- Our expectations regarding the preliminary purchase price allocation for the Ryan Hanley and Cosgroves acquisitions;
- Our expectations regarding our initial assessment of the impacts of the One Big Beautiful Bill Act on our 2025 tax expense;
- Our expectations regarding our sources of cash and our ability to meet our normal operating and capital expenditures in the Liquidity and Capital Resources section; and
- Our expectations in the Critical Accounting Estimates, Developments and Measures section.

These describe the management expectations and targets by which we measure our success and assist our shareholders in understanding our financial position as at and for the periods ended on the dates presented in this report. Readers are cautioned that this information may not be appropriate for other purposes.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions, projections, and other forward-looking statements will not prove to be accurate. We caution readers of this report 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.

Future outcomes relating to forward-looking statements may be influenced by many factors and material risks. For the two quarters ended June 30, 2025, there has been no significant change in our risk factors from those described in our 2024 Annual Report (incorporated here by reference).

Assumptions

In determining our forward-looking statements, we consider material factors, including assumptions about the performance of Canadian, US, and various international economies and their effect on our business. We have revised certain annual targets previously included in our 2024 Annual Report. The assumptions we made at the time of publishing our annual targets and outlook for 2025 are listed in the Cautionary Note Regarding Forward-Looking Statements section of our 2024 Annual Report (incorporated here by reference). The following information updates and therefore supersedes those assumptions.

- In our 2024 Annual Report, our outlook forecast assumed an average value for the US dollar of $1.41, for the GBP of $1.73, and AU of $0.90 for 2025. Our June 2025 outlook forecast now assumes an average value for the US dollar of $1.36, for the British pound of $1.84, and for the Australian dollar of $0.90.
- Our effective income tax rate, without discrete transactions, is now expected to fall within a range of 23.5% to 24.5%, an increase from 22% to 23% in our 2024 Annual Report.
- As of June 2025 Canada's 2025 GDP growth is projected to see a growth rate of 1.0% compared to 1.8% at December 2024, the US is projected to see a growth rate of 1.7% compared to 1.9% at December 2024, the UK is projected to see a growth rate of 1.0% compared to 1.6% at December 2024, and Australia is projected to see a growth rate of 1.8% compared to 2.2% at December 2024.
- In Canada, the number of total housing starts in 2025 was forecasted to decrease by 9% compared to 2024. As of June 2025, new housing construction in Canada increased 3.6% over the first half of 2025. In the United States, the forecasted seasonally adjusted annual rate of total housing starts for 2025 was expected to be 1.37 million as of December 2024. This has since been revised to 1.35 million at June 2025.
- The American Institute of Architects ABI (architectural billing index) has increased to 46.8 at June 2025 from 44.1 at December 2024.

The preceding list of factors is not exhaustive. Investors and the public should carefully consider these factors, other uncertainties and potential events, and the inherent uncertainty of forward-looking statements when relying on these statements to make decisions with respect to our Company. The forward-looking statements contained herein represent our expectations as of August 13, 2025, and, accordingly, are subject to change after such date. Except as may be required by law, we do not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time. In the case of the ranges of expected performance for fiscal year 2025, it is our current practice to evaluate and, where we deem appropriate, to provide updates. However, subject to legal requirements, we may change this practice at any time at our sole discretion.

Interim Condensed Consolidated Statements of Financial Position

(Unaudited)

(In millions of Canadian dollars)	Notes	**June 30, 2025 $**	December 31, 2024 $
ASSETS			
Current			
Cash and cash equivalents		**344.5**	228.5
Trade and other receivables	5	**1,124.1**	1,323.8
Unbilled receivables		**828.6**	724.5
Contract assets		**127.8**	116.0
Income taxes recoverable		**105.7**	64.4
Prepaid expenses		**77.3**	64.3
Other assets	7	**20.5**	27.5
Total current assets		**2,628.5**	2,549.0
Non-current			
Property and equipment		**290.1**	299.0
Lease assets		**447.2**	474.3
Goodwill	4	**2,701.5**	2,712.5
Intangible assets	4	**402.6**	427.0
Net employee defined benefit asset		**80.1**	75.0
Deferred tax assets		**122.8**	119.3
Other assets	7	**299.0**	300.0
Total assets		**6,971.8**	6,956.1
LIABILITIES AND EQUITY			
Current			
Bank indebtedness	8	**27.2**	17.1
Trade and other payables		**889.7**	1,018.7
Lease liabilities		**117.8**	113.6
Deferred revenue		**470.6**	502.4
Income taxes payable		**25.8**	32.3
Long-term debt	8,13	**177.4**	175.0
Provisions	9	**75.8**	66.4
Other liabilities	10	**39.9**	53.5
Total current liabilities		**1,824.2**	1,979.0
Non-current			
Lease liabilities		**486.0**	528.6
Long-term debt	8,13	**1,332.9**	1,208.5
Provisions	9	**156.2**	167.9
Net employee defined benefit liability		**20.7**	22.4
Deferred tax liabilities		**62.8**	63.6
Other liabilities	10	**45.9**	41.0
Total liabilities		**3,928.7**	4,011.0
Total shareholders' equity		**3,043.1**	2,945.1
Total liabilities and equity		**6,971.8**	6,956.1

See accompanying notes

Interim Condensed Consolidated Statements of Income

(Unaudited)

(In millions of Canadian dollars, except per share amounts)	Notes	For the quarter ended June 30, 2025 $	For the quarter ended June 30, 2024 $ (Note 3.c)[1]	For the two quarters ended June 30, 2025 $	For the two quarters ended June 30, 2024 $ (Note 3.c)[1]
Gross revenue		**1,964.3**	1,889.7	**3,887.9**	3,611.1
Less subconsultant and other direct expenses		**367.6**	396.4	**738.2**	747.7
Net revenue		**1,596.7**	1,493.3	**3,149.7**	2,863.4
Direct payroll costs	14	**732.0**	681.6	**1,441.5**	1,309.2
Project margin		**864.7**	811.7	**1,708.2**	1,554.2
Administrative and marketing expenses	11,13,14	**598.3**	578.4	**1,210.3**	1,124.3
Depreciation of property and equipment		**17.3**	17.2	**34.9**	33.0
Depreciation of lease assets		**31.1**	32.0	**63.3**	63.5
Amortization of intangible assets		**31.3**	31.8	**60.0**	62.8
Net (reversal) impairment of lease assets	6	**(0.8)**	16.5	**(0.9)**	16.9
Net interest expense and other net finance expense	15	**21.2**	27.4	**42.6**	51.6
Other (income) expenses	16	**(12.8)**	0.9	**(11.1)**	(4.8)
Income before income taxes		**179.1**	107.5	**309.1**	206.9
Income taxes					
Current		**48.0**	29.9	**80.5**	54.3
Deferred		**(4.3)**	(5.6)	**(6.9)**	(7.7)
Total income taxes		**43.7**	24.3	**73.6**	46.6
Net income for the period		**135.4**	83.2	**235.5**	160.3
Weighted average number of shares outstanding - basic and diluted		**114,066,995**	114,066,995	**114,066,995**	114,066,995
Shares outstanding, end of the period		**114,066,995**	114,066,995	**114,066,995**	114,066,995
Earnings per share - basic and diluted		**1.19**	0.73	**2.06**	1.41

See accompanying notes

[1] Revised for change in accounting policy (see Note 3.c)

Interim Condensed Consolidated Statements of Comprehensive Income

(Unaudited)

(In millions of Canadian dollars)	Notes	For the quarter ended June 30, 2025 $	For the quarter ended June 30, 2024 $ (Note 3.c)[1]	For the two quarters ended June 30, 2025 $	For the two quarters ended June 30, 2024 $ (Note 3.c)[1]
Net income for the period		**135.4**	83.2	**235.5**	160.3
Other comprehensive income (loss)					
Items that may be reclassified to net income in subsequent periods:					
Exchange differences on translation of foreign operations	13	**(108.4)**	38.8	**(89.9)**	83.1
Net unrealized gain (loss) on financial instruments	7,13	**2.5**	(1.2)	**3.8**	(3.4)
Other comprehensive (loss) income for the period, net of tax		**(105.9)**	37.6	**(86.1)**	79.7
Total comprehensive income for the period, net of tax		**29.5**	120.8	**149.4**	240.0

See accompanying notes

[1] Revised for change in accounting policy (see Note 3.c)

Interim Condensed Consolidated Statements of Shareholders' Equity

(Unaudited)

(In millions of Canadian dollars, except shares)	Shares Outstanding (note 11) #	Share Capital $	Contributed Surplus $	Retained Earnings $	Accumulated Other Comprehensive Income $	Total $
Balance, December 31, 2023	114,066,995	1,271.3	5.5	1,104.5	69.8	2,451.1
Net income (Note 3.c)[1]				160.3		160.3
Other comprehensive income (Note 3.c)[1]					79.7	79.7
Total comprehensive income (Note 3.c)[1]				160.3	79.7	240.0
Dividends declared				(47.8)		(47.8)
Balance, June 30, 2024	114,066,995	1,271.3	5.5	1,217.0	149.5	2,643.3
Balance, December 31, 2024	114,066,995	1,271.3	5.5	1,370.4	297.9	2,945.1
Net income				235.5		235.5
Other comprehensive loss					(86.1)	(86.1)
Total comprehensive income				235.5	(86.1)	149.4
Dividends declared				(51.4)		(51.4)
Balance, June 30, 2025	**114,066,995**	**1,271.3**	**5.5**	**1,554.5**	**211.8**	**3,043.1**

See accompanying notes

[1] Revised for change in accounting policy (see Note 3.c)

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In millions of Canadian dollars)	Notes	For the quarter ended June 30, 2025 $	For the quarter ended June 30, 2024 $ (Note 3.c)[1]	For the two quarters ended June 30, 2025 $	For the two quarters ended June 30, 2024 $ (Note 3.c)[1]
OPERATING ACTIVITIES					
Net income		**135.4**	83.2	**235.5**	160.3
Add (deduct) items not affecting cash:					
Depreciation of property and equipment		**17.3**	17.2	**34.9**	33.0
Depreciation of lease assets		**31.1**	32.0	**63.3**	63.5
Amortization of intangible assets		**31.3**	31.8	**60.0**	62.8
Net (reversal) impairment of lease assets	6	**(0.8)**	16.5	**(0.9)**	16.9
Deferred income taxes		**(4.3)**	(5.6)	**(6.9)**	(7.7)
Share-based compensation	11	**11.6**	9.3	**23.6**	25.5
Provisions	9	**10.5**	25.9	**31.8**	40.8
Other non-cash items		**1.3**	2.9	**5.3**	(3.5)
		233.4	213.2	**446.6**	391.6
Trade and other receivables		**75.4**	(1.5)	**213.8**	43.9
Unbilled receivables		**(54.9)**	(31.0)	**(116.8)**	(112.6)
Contract assets		**(0.5)**	(18.3)	**(11.8)**	(31.6)
Prepaid expenses		**5.3**	10.9	**(13.0)**	(5.1)
Income taxes net recoverable		**(55.5)**	(54.0)	**(56.4)**	(38.2)
Trade and other payables and other accruals		**(67.7)**	(18.8)	**(210.6)**	(106.8)
Deferred revenue		**(1.5)**	(25.8)	**(17.1)**	(23.8)
		(99.4)	(138.5)	**(211.9)**	(274.2)
Net cash flows from operating activities		**134.0**	74.7	**234.7**	117.4
INVESTING ACTIVITIES					
Business acquisitions, net of cash acquired	4	**(36.8)**	(123.7)	**(36.8)**	(555.0)
Purchase of investments held for self-insured liabilities	7	**(17.4)**	(12.7)	**(58.8)**	(22.5)
Proceeds from sale of investments held for self-insured liabilities	7	**13.7**	10.3	**48.2**	61.6
Purchase of property and equipment and intangible assets		**(19.0)**	(40.3)	**(35.1)**	(60.8)
Other		**0.2**	2.0	**1.6**	4.2
Net cash flows used in investing activities		**(59.3)**	(164.4)	**(80.9)**	(572.5)
FINANCING ACTIVITIES					
Net proceeds from issue of senior unsecured notes	8,17	**422.9**	—	**422.9**	—
Net (repayments) proceeds from revolving credit facility	17	**(311.0)**	218.5	**(256.0)**	489.0
Repayment of notes payable and other financing obligations	17	**(23.9)**	(61.4)	**(75.1)**	(85.1)
Net proceeds from bank indebtedness		**9.1**	4.3	**9.1**	9.4
Net lease payments	17	**(36.9)**	(33.0)	**(70.6)**	(54.2)
Payment of dividends to shareholders	11	**(25.7)**	(23.9)	**(49.6)**	(46.2)
Net cash flows from (used in) financing activities		**34.5**	104.5	**(19.3)**	312.9
Foreign exchange (loss) gain on cash held in foreign currency		**(18.7)**	3.9	**(18.5)**	7.5
Net increase (decrease) in cash and cash equivalents		**90.5**	18.7	**116.0**	(134.7)
Cash and cash equivalents, beginning of the period		**254.0**	199.5	**228.5**	352.9
Cash and cash equivalents, end of the period		**344.5**	218.2	**344.5**	218.2

See accompanying notes

[1] Revised for change in accounting policy (see Note 3.c)

Index to the Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Corporate Information

The interim condensed consolidated financial statements (consolidated financial statements) of Stantec Inc., its subsidiaries, and its structured entities (the Company) for the two quarters ended June 30, 2025, were authorized for issuance in accordance with a resolution of the Company's Audit and Risk Committee on August 13, 2025. The Company was incorporated under the Canada Business Corporations Act on March 23, 1984. Its shares are traded on the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE) under the symbol STN. The Company's registered office is located at Suite 300, 10220 - 103 Avenue, Edmonton, Alberta. The Company is domiciled in Canada.

Stantec is a global leader in sustainable engineering, architecture, and environmental consulting. Our professionals deliver the expertise, technology, and innovation communities need to manage aging infrastructure, demographic and population changes, the energy transition, and more. The Company's services include engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics, from initial project concept and planning through to design, construction administration, commissioning, maintenance, decommissioning, and remediation.

2. Basis of Preparation

These consolidated financial statements for the two quarters ended June 30, 2025 were prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting.* These consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's December 31, 2024 annual consolidated financial statements. These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest million ($000,000), except where otherwise indicated.

The accounting policies applied when preparing the Company's consolidated financial statements are consistent with those followed when preparing the annual consolidated financial statements for the year ended December 31, 2024 except as described in note 3.

The preparation of these consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, and liabilities. The significant judgments made by management when applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's December 31, 2024 annual consolidated financial statements.

3. Recent Accounting Pronouncements and Changes to Accounting Policies

a) Recent adoptions

In August 2023, the IASB issued *Lack of Exchangeability (Amendments to IAS 21)*, which clarified that entities must estimate the spot exchange rate when it is determined that a currency lacks exchangeability and introduced targeted disclosure requirements. This amendment became effective January 1, 2025 and did not have a material impact on the Company's consolidated financial statements.

In April 2025, the IFRS Interpretations Committee (IFRIC) issued an agenda decision on *Guarantees Issued on Obligations of Other Entities.* The agenda decision clarifies that an entity accounts for a guarantee that it issues based on the requirements in IFRS Accounting Standards, including the scoping requirements and using judgment to determine which standard applies, and not based on the nature of the entity's business activities. The agenda decision did not have a material impact on the Company's current accounting practices and the consolidated financial statements.

b) Future adoptions

The standards, amendments, and interpretations issued before 2025 but not yet adopted by the Company have been disclosed in note 6 of the Company's December 31, 2024 annual consolidated financial statements.

c) Change in accounting policy

In April 2024, the IFRIC issued an agenda decision on *Payments Contingent on Continued Employment during Handover Periods (IFRS 3 Business Combinations)*. IFRS 3 requires contingent payments (including deferred payments) to employees or selling shareholders to be treated as contingent consideration in a business combination or as separate transactions, depending on the nature of the payments. The agenda decision provided clarification on how automatic forfeiture should be applied to payments in a business combination which may be contingent on the sellers' continued employment.

Historically the Company issued notes payable as purchase consideration that were contingent on selling shareholders complying with the terms of the acquisition agreement. Effective September 30, 2024, the Company performed a reassessment of historical acquisitions based on the IFRIC clarification, and revised the accounting for certain historical notes payable from purchase consideration to compensation for post-combination services. The Company has also changed the terms used in recent acquisition agreements to clarify that adjustments to the notes payable are not contingent on continued employment but adjusted based on factors relevant to the performance of the business. The reassessment was applied as a change in accounting policy, retrospectively to all prior periods presented. The impacts on the Company's consolidated financial statements were as follows:

Consolidated Statements of Income

	For the quarter ended June 30, 2024 (as previously stated) $	Increase (Decrease) $	For the quarter ended June 30, 2024 (revised) $	For the two quarters ended June 30, 2024 (as previously stated) $	Increase (Decrease) $	For the two quarters ended June 30, 2024 (revised) $
Administrative and marketing expenses	576.6	1.8	578.4	1,119.5	4.8	1,124.3
Income before income taxes	109.3	(1.8)	107.5	211.7	(4.8)	206.9
Deferred income taxes	(5.2)	(0.4)	(5.6)	(6.6)	(1.1)	(7.7)
Net income for the period	84.6	(1.4)	83.2	164.0	(3.7)	160.3
Earnings per share, basic and diluted	0.74	(0.01)	0.73	1.44	(0.03)	1.41

Consolidated Statements of Comprehensive Income

	For the quarter ended June 30, 2024 (as previously stated) $	Decrease $	For the quarter ended June 30, 2024 (revised) $	For the two quarters ended June 30, 2024 (as previously stated) $	Decrease $	For the two quarters ended June 30, 2024 (revised) $
Net income for the period	84.6	(1.4)	83.2	164.0	(3.7)	160.3
Exchange differences on translation of foreign operations	45.9	(7.1)	38.8	93.4	(10.3)	83.1
Other comprehensive income (loss) for the period, net of tax	44.7	(7.1)	37.6	90.0	(10.3)	79.7
Total comprehensive income for the period, net of tax	129.3	(8.5)	120.8	254.0	(14.0)	240.0

In millions of Canadian dollars except number of shares and per share data

Consolidated Statements of Cash Flows

	For the quarter ended June 30, 2024 (as previously stated) $	Increase (Decrease) $	For the quarter ended June 30, 2024 (revised) $	For the two quarters ended June 30, 2024 (as previously stated) $	Increase (Decrease) $	For the two quarters ended June 30, 2024 (revised) $
Net income	84.6	(1.4)	83.2	164.0	(3.7)	160.3
Deferred income taxes	(5.2)	(0.4)	(5.6)	(6.6)	(1.1)	(7.7)
Trade and other payables and other accruals	(15.0)	(3.8)	(18.8)	(91.8)	(15.0)	(106.8)
Net cash flows from operating activities	80.3	(5.6)	74.7	137.2	(19.8)	117.4
Repayment of notes payable and other financing obligations	(67.0)	5.6	(61.4)	(104.9)	19.8	(85.1)
Net cash flows from financing activities	98.9	5.6	104.5	293.1	19.8	312.9

In millions of Canadian dollars except number of shares and per share data

4. Business Acquisitions

On April 8, 2025, the Company acquired all the issued and outstanding shares of Kallan Sustainable Holdings Limited and Ryan Hanley Limited (collectively Ryan Hanley). Ryan Hanley is a 150-person engineering and environmental consultancy with locations across Ireland. This acquisition strengthened the Company's Water operations in the Global group of Cash Generating Units (CGUs).

On June 27, 2025, the Company acquired all the issued and outstanding shares of Cosgroves Group Limited (Cosgroves). Cosgroves is a 90-person buildings engineering firm headquartered in Christchurch, New Zealand. This acquisition strengthened the Company's Buildings operations in the Global group of CGUs.

Details of the consideration transferred and the fair value of the identifiable assets and liabilities acquired at the dates of acquisition, including measurement period adjustments for prior acquisitions, were as follows:

	Notes	**Total** **$**
Cash consideration		43.5
Notes payable	8	14.8
Consideration		58.3
Cash consideration		43.5
Cash acquired		6.7
Net cash paid		36.8
Assets and liabilities acquired		
Cash		6.7
Non-cash working capital		
Trade and unbilled receivables		8.8
Trade and other payables		(6.0)
Other non-cash working capital		0.7
Intangible assets		14.8
Deferred tax liabilities		(2.6)
Other		0.2
Total identifiable net assets at fair value		22.6
Goodwill arising on acquisitions		35.7

Deferred consideration is included as notes payable and has been assessed as part of the business combination and recognized at fair value at the acquisition date.

Trade receivables and unbilled receivables are recognized at fair value at the time of acquisition, and their fair value approximates their net carrying value.

Goodwill consists of the value of expected synergies arising from an acquisition, the expertise and reputation of the assembled workforce acquired, and the geographic location of the acquiree. None of the goodwill and intangible assets arising from the acquisitions are expected to be deductible for income tax purposes.

Gross revenue earned from acquisitions since the acquisition date was $3.9.

Fair value of net assets for current and prior year acquisitions

The preliminary fair values of the net assets recognized in the Company’s consolidated financial statements were based on management’s best estimates of the acquired identifiable assets and liabilities at the acquisition dates. Management finalized the fair value assessments of assets and liabilities purchased from Hydrock Holdings Limited. For Ryan Hanley and Cosgroves, management is reviewing the respective vendors' closing financial statements, purchase adjustments, and other outstanding information. Management's preliminary estimates with the most significant aspects remaining to be finalized relate to the valuation of intangible assets, deferred income taxes, lease assets and liabilities, and consideration. Once the outstanding information is received, reviews are completed, and approvals are obtained, the valuation of acquired assets and liabilities will be finalized.

In millions of Canadian dollars except number of shares and per share data

5. Trade and Other Receivables

	June 30, 2025 **$**	December 31, 2024 $
Trade receivables, net of expected credit losses of $3.0 (2024 – $2.7)	**1,076.5**	1,282.4
Holdbacks and other	**23.7**	26.5
Insurance receivables	**23.9**	14.9
Trade and other receivables	**1,124.1**	1,323.8

The aging analysis of gross trade receivables is as follows:

	Total **$**	**1–30** **$**	**31–60** **$**	**61–90** **$**	**91–120** **$**	**121+** **$**
June 30, 2025	**1,079.5**	**662.5**	**222.1**	**66.2**	**37.8**	**90.9**
December 31, 2024	1,285.1	655.9	380.6	118.3	36.1	94.2

Information about the Company's exposure to credit risks for trade and other receivables is included in note 13.

6. Lease Assets

As part of the Company's strategic plan and acquisition integration activities, the real estate lease portfolio is continuously evaluated for subleasing opportunities of certain underutilized office spaces. This resulted in a net impairment reversal of $0.9 during the first two quarters of 2025 (June 30, 2024 - net impairment loss of $16.9) based on the value in use method.

In millions of Canadian dollars except number of shares and per share data

7. Other Assets

	Notes	June 30, 2025 $	December 31, 2024 $
Financial assets			
Investments held for self-insured liabilities	12	**205.4**	195.7
Holdbacks on long-term contracts		**36.0**	43.7
Derivative financial instruments	12,13	**28.4**	20.7
Insurance recovery assets		**5.1**	10.6
Other		**31.9**	39.2
Non-financial assets			
Other		**12.7**	17.6
		319.5	327.5
Less current portion - financial		**19.2**	26.2
Less current portion - non-financial		**1.3**	1.3
Long-term portion		**299.0**	300.0

Financial assets — Other primarily includes sublease receivables and deposits. Non-financial assets — Other primarily includes transaction costs on long-term debt, investment tax credits, and investments in joint ventures and associates.

Investments held for self-insured liabilities include government and corporate bonds that are classified as fair value through other comprehensive income with unrealized gains (losses) recorded in other comprehensive income. Investments also include equity securities that are classified as fair value through profit and loss with gains (losses) recorded in net income.

8. Long-Term Debt

	June 30, 2025 $	December 31, 2024 $
Senior unsecured notes	**971.2**	548.1
Revolving credit facility	**—**	256.0
Term loan facilities	**406.5**	405.6
Notes payable	**85.3**	116.8
Other financing obligations	**47.3**	57.0
	1,510.3	1,383.5
Less current portion	**177.4**	175.0
Long-term portion	**1,332.9**	1,208.5

Senior unsecured notes
The Company's senior unsecured notes (the notes) consist of:

- $300 of notes that mature on October 8, 2027, bearing interest at a fixed rate of 2.048% per annum;
- $250 of notes that mature on June 27, 2030, bearing interest at a fixed rate of 5.393% per annum; and
- $425 of notes issued on June 10, 2025, that mature on June 10, 2032 and bear interest at a fixed rate of 4.374% per annum.

In millions of Canadian dollars except number of shares and per share data

The notes rank pari passu with all other debt and future indebtedness of the Company.

Revolving credit and term loan facilities
The Company has syndicated senior credit facilities, structured as a sustainability-linked loan, consisting of an unsecured senior revolving credit facility, unsecured senior term loan held in two tranches, and access to additional funds of $600 subject to approval and under the same terms and conditions. An amendment was entered on June 11, 2025 which increased the senior revolving credit facility from $800 million to $1.2 billion and extended the maturity date from June 27, 2029 to June 11, 2030. The senior term loan of $310 in two tranches remains unchanged, with tranche B of $150 maturing on June 27, 2027 and tranche C of $160 maturing on June 27, 2029. The amendment to the terms and conditions was not considered to be substantial. As such, the amendment was accounted for as a debt modification.

The Company also has an unsecured bilateral term credit facility of $100 that was renewed on June 26, 2025 with a maturity date of June 26, 2026.

The average interest rate for the credit facilities at June 30, 2025, was 4.25% (December 31, 2024 – 4.86%).

The Company is subject to restrictive covenants related to its revolving credit facility, term loan facilities, and senior unsecured notes, which are measured quarterly. These covenants are consistent with those disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2024. The Company was in compliance with these covenants as at and throughout the two quarters ended June 30, 2025.

Bank indebtedness
The Company has an uncommitted unsecured multicurrency credit facility of up to £20 and an overdraft facility of up to AU$5, repayable on demand.

Notes payable and other finance obligations
Notes payable consists primarily of notes payable for acquisitions and are due at various times from 2025 to 2028. Repayment is contingent on selling shareholders complying with the terms of the acquisition agreements.

The Company has other financing obligations for software (included in intangible assets), equipment, and leasehold improvements. These obligations expire at various dates before February 2029.

Letter of credit and surety facilities
The Company issues letters of credit within its revolving credit facility and has a separate facility outside of its revolving credit facility that provides letters of credit. During the second quarter, an amendment was made to the separate facility which reduced the facility from $100 to $25. The Company also enters into bonds for certain projects.

9. Provisions

	Self-insured liabilities $	Claims $	Lease restoration $	Onerous contracts $	Total $
January 1, 2025	**113.1**	**70.0**	**29.6**	**21.6**	**234.3**
Current period provisions	**19.9**	**18.3**	**1.8**	**2.5**	**42.5**
Paid or otherwise settled	**(14.6)**	**(17.8)**	**(0.2)**	**(5.4)**	**(38.0)**
Impact of foreign exchange	**(3.6)**	**(2.5)**	**(0.3)**	**(0.4)**	**(6.8)**
	114.8	**68.0**	**30.9**	**18.3**	**232.0**
Less current portion	**16.0**	**45.6**	**4.2**	**10.0**	**75.8**
Long-term portion	**98.8**	**22.4**	**26.7**	**8.3**	**156.2**

10.Other Liabilities

	June 30, 2025 $	December 31, 2024 $
Cash-settled share-based compensation	**71.9**	85.2
Other	**13.9**	9.3
	85.8	94.5
Less current portion	**39.9**	53.5
Long-term portion	**45.9**	41.0

11.Share Capital

Authorized	
Unlimited	Common shares, with no par value
Unlimited	Preferred shares issuable in series, with attributes designated by the board of directors

Common shares

The Company has approval to repurchase up to 2,281,339 common shares during the period December 13, 2024 to December 12, 2025, and an Automatic Share Purchase Plan (ASPP) which allows a broker, in its sole discretion and based on the parameters established by the Company, to purchase common shares for cancellation under the Normal Course Issuer Bid (NCIB) at any time during predetermined trading blackout periods. As at June 30, 2025 and December 31, 2024, no liability was recorded in the Company's consolidated statements of financial position in connection with the ASPP.

Dividends

Holders of common shares are entitled to receive dividends when declared by the Company's board of directors. The table below describes the dividends paid in 2025:

In millions of Canadian dollars except number of shares and per share data

Date Declared	Record Date	Payment Date	Dividend per Share $	Paid $
November 7, 2024	December 31, 2024	January 15, 2025	0.210	23.9
February 24, 2025	March 28, 2025	April 15, 2025	0.225	25.7
May 14, 2025	June 30, 2025	July 15, 2025	0.225	—

At June 30, 2025, trade and other payables included $25.7 related to the dividends declared on May 14, 2025.

Share-based payment transactions

During the second quarter of 2025, the Company recognized a net share-based compensation expense of $11.6 (June 30, 2024 - $9.3) in administrative and marketing expenses in the consolidated statements of income, comprised of share-based compensation expense of $29.9 (June 30, 2024 - $11.2) offset by a hedge impact of $18.3 (June 30, 2024 - $1.9) (note 13).

During the first two quarters of 2025, the Company recognized a net share-based compensation expense of $23.6 (June 30, 2024 - $25.5) in administrative and marketing expenses in the consolidated statements of income, comprised of share-based compensation expense of $47.1 (June 30, 2024 - $30.9) offset by a hedge impact of $23.5 (June 30, 2024 - $5.4) (note 13).

During the first two quarters of 2025, the Company granted 112,609 Performance Share Units (PSUs) at a fair value of $20.0 (June 30, 2024 - 118,447 units for $13.0) and 110,985 Restricted Share Units (RSUs) at a fair value of $15.7 (June 30, 2024 - 112,864 units for $12.9) under the same terms, conditions, and vesting requirements as the units issued in 2024.

During the first two quarters of 2025, 236,770 PSUs were paid at a value of $35.1 (June 30, 2024 - 227,503 PSUs were paid at a value of $41.4), 130,922 RSUs were paid at a value of $18.2 (June 30, 2024 - 113,948 RSUs were paid at a value of $13.7), and 61,642 DSUs were paid at a value of $7.0 (June 30, 2024 - 24,414 DSUs were paid at a value of $2.7).

12. Fair Value Measurements

All financial instruments carried at fair value are categorized into one of the following:

- Level 1 – quoted market prices
- Level 2 – valuation techniques (market observable)
- Level 3 – valuation techniques (non-market observable)

When forming estimates, the Company uses the most observable inputs available for valuation purposes. If a fair value measurement reflects inputs of different levels within the hierarchy, the financial instrument is categorized based on the lowest level of significant input.

When determining fair value, the Company considers the principal or most advantageous market in which it would transact and the assumptions that market participants would use when pricing the asset or liability. The Company measures certain financial assets and liabilities at fair value on a recurring basis.

For financial instruments recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorizations at the end of each reporting period.

In the first two quarters of 2025, no changes were made to the method of determining fair value and no transfers were made between levels of the hierarchy.

In millions of Canadian dollars except number of shares and per share data

The following tables summarize the Company’s fair value hierarchy for those assets and liabilities measured and adjusted to fair value on a recurring basis:

At June 30, 2025	Notes	Carrying Amount $	Level 1 $	Level 2 $	Level 3 $
Assets					
Investments held for self-insured liabilities	7	205.4	—	205.4	—
Derivative financial instruments	7,13	28.4	—	28.4	—
Liabilities					
Notes payable	8	85.3	—	—	85.3
At December 31, 2024					
Assets					
Investments held for self-insured liabilities	7	195.7	—	195.7	—
Derivative financial instruments	7,13	20.7	—	20.7	—
Liabilities					
Notes payable	8	116.8	—	—	116.8

Investments held for self-insured liabilities consist of government and corporate bonds and equity securities. Fair value of bonds is determined using observable prices of debt with characteristics and maturities that are similar to the bonds being valued. Fair value of equities is determined using the reported net asset value per share of the investment funds. The funds derive their value from observable quoted prices of the equities owned that are traded in an active market.

The fair value of notes payable includes a forfeiture assumption which is not based on observable market data and as such, the valuation method is classified as level 3 in the fair value hierarchy. The forfeiture assumption is based on historical forfeiture experience, which has not been significant. For payments with terms greater than one year, the estimated liability is discounted using market rates of interest.

The following tables summarize the Company’s fair value hierarchy for those liabilities that were not measured at fair value but are required to be disclosed at fair value on a recurring basis:

At June 30, 2025	Note	Carrying Amount $	Level 1 $	Level 2 $	Level 3 $
Senior unsecured notes	8	971.2	—	976.2	—
At December 31, 2024					
Senior unsecured notes	8	548.1	—	548.2	—

The fair value of senior unsecured notes is determined by calculating the present value of future payments using observable benchmark interest rates and credit spreads for debt with similar characteristics and maturities.

13.Financial Instruments

Total return swaps on share-based compensation units
The Company has total return swap (TRS) agreements with financial institutions to manage its exposure to changes in the fair value of the Company's shares for certain cash-settled share-based payment obligations. The Company has designated the TRSs related to its restricted share units (RSUs) as a cash flow hedge, with a notional amount of $31.7 maturing between 2026 and 2028. The fair value of the TRSs are based on the difference between the hedged price and the fair value of the Company’s common shares and are recorded in other assets (note 7).

In millions of Canadian dollars except number of shares and per share data

During the first two quarters of 2025, the TRSs related to the Company's RSUs had a fair value of $11.5 (December 31, 2024 - $10.7), a gain of $10.5 ($7.8 net of tax) (June 30, 2024 - $3.0 ($2.3 net of tax)) in other comprehensive income, and a gain of $8.1 (June 30, 2024 - gain of $3.8) was reclassified to the consolidated statements of income in administrative and marketing expenses. The TRSs related to the Company's performance share units (PSUs) and deferred share units (DSUs), for which hedge accounting was not applied, had an aggregate fair value of $16.5 (December 31, 2024 - $8.2) and a net gain of $15.4 (June 30, 2024 – $1.6) which was recognized in administrative and marketing expenses in the consolidated statements of income.

Credit risk
Assets that subject the Company to credit risk consist primarily of cash and cash equivalents, trade and other receivables, unbilled receivables, contract assets, investments held for self-insured liabilities, holdbacks on long-term contracts, and other financial assets. The Company's maximum amount of credit risk exposure is limited to the carrying amount of these assets, which at June 30, 2025, was $2,731.8 (December 31, 2024 – $2,702.7).

The Company limits its exposure to credit risk by placing its cash and cash equivalents in high-quality credit institutions. Investments held for self-insured liabilities include corporate bonds and equity securities. The Company believes the risk associated with corporate bonds and equity securities is mitigated by the overall quality and mix of the Company's investment portfolio. Substantially all bonds held by the Company are investment grade, and none are past due. The Company monitors changes in credit risk by tracking published external credit ratings.

The Company mitigates the risk associated with trade and other receivables, unbilled receivables, contract assets, and holdbacks on long-term contracts by providing services to diverse clients in various industries and sectors of the economy. In addition, management reviews trade and other receivables past due on an ongoing basis to identify matters that could potentially delay the collection of funds at an early stage. The Company does not concentrate its credit risk in any particular client, industry, or economic sector.

The Company monitors trade receivables to an internal target of days of revenue in trade receivables. At June 30, 2025, the days of revenue in trade receivables was 51 days (December 31, 2024 – 61 days).

Price risk
The Company's investments held for self-insured liabilities are exposed to price risk arising from changes in the market values of the equity securities. This risk is mitigated because the portfolio of equity funds is monitored regularly and appropriately diversified. For the Company's investments held for self-insured liabilities, a 5% increase or decrease in equity prices at June 30, 2025, would increase or decrease the Company's net income by $3.0 (June 30, 2024 - $2.4), respectively.

The Company is also exposed to changes in its share price arising from its cash-settled share-based payments as the Company's obligation under these arrangements are based on the price of the Company's shares. The Company mitigates a portion of its exposure to this risk for its PSUs, RSUs, and DSUs by entering into TRSs.

Liquidity risk
The Company meets its liquidity needs through various sources, including cash generated from operations, issuing senior unsecured notes, borrowings from its $1.2 billion revolving credit facility, term loan facilities, bilateral, multicurrency, and overdraft credit facilities, and the issuance of common shares. The unused capacity of the credit facilities at June 30, 2025, was $1,209.8 (December 31, 2024 – $563.2) and the Company also has access to additional funds of $600 under its syndicated credit facilities (note 8). The Company believes that it has sufficient resources to meet obligations associated with its financial liabilities.

Interest rate risk
The Company is subject to interest rate cash flow risk to the extent that its credit and term loan facilities are based on floating interest rates. The Company is also subject to interest rate pricing risk to the extent that its investments held for self-insured liabilities include fixed-rate government and corporate bonds. If the interest rate on the Company's credit and term loan facilities at June 30, 2025, was 1% higher or lower, with all other variables held constant, net income would decrease or increase by $1.7 (June 30, 2024 - $3.9), respectively.

Foreign exchange risk
Foreign exchange risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange gains or losses in net income arise on the translation of foreign currency-denominated assets and liabilities (such as trade and other receivables, bank indebtedness, trade and other payables, and long-term debt) held in the Company's Canadian operations and foreign

subsidiaries. The Company manages its exposure to foreign exchange fluctuations on these items by matching foreign currency assets with foreign currency liabilities and, from time to time, through the use of foreign currency forward contracts.

Foreign exchange fluctuations may also arise on the translation of foreign subsidiaries, where the functional currency is different from the Canadian dollar, and are recorded in other comprehensive income. During the first two quarters of 2025, the Company recorded exchange gains on translation of foreign operations of $89.9 through other comprehensive income (loss), of which $46.7 related to goodwill. The Company does not hedge for this foreign exchange risk.

14.Employee Costs

		For the quarter ended June 30,		For the two quarters ended June 30,	
		2025	2024	**2025**	2024
	Note	**$**	$	**$**	$
Wages, salaries, and benefits	3.c	**1,159.1**	1,078.7	**2,284.4**	2,080.6
Pension costs		**36.5**	34.0	**69.9**	62.2
Net share-based compensation	11,13	**11.6**	9.3	**23.6**	25.5
Total employee costs		**1,207.2**	1,122.0	**2,377.9**	2,168.3
Direct labor		**732.0**	681.6	**1,441.5**	1,309.2
Indirect labor		**475.2**	440.4	**936.4**	859.1
Total employee costs		**1,207.2**	1,122.0	**2,377.9**	2,168.3

Direct labor costs include salaries, wages, and related fringe benefits (including pension costs) for labor hours directly associated with the completion of projects. Bonuses, share-based compensation, termination payments, and salaries, wages, and related fringe benefits (including pension costs) for labor hours not directly associated with the completion of projects are included in indirect labor costs. Indirect labor costs are included in administrative and marketing expenses in the consolidated statements of income.

15.Net Interest Expense and Other Net Finance Expense

	For the quarter ended June 30,		For the two quarters ended June 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Total net interest expense	**20.7**	27.3	**41.7**	51.3
Other net finance expense	**0.5**	0.1	**0.9**	0.3
Net interest expense and other net finance expense	**21.2**	27.4	**42.6**	51.6

Interest expense on the Company's long-term debt and bank indebtedness for the first two quarters of 2025 was $32.1 (June 30, 2024 – $40.8) (note 8). Interest on lease liabilities during the first two quarters of 2025 was $14.6 (June 30, 2024 - $14.5).

In millions of Canadian dollars except number of shares and per share data

16. Other (Income) Expenses

	For the quarter ended June 30,		For the two quarters ended June 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Realized gain on investments	**—**	(0.1)	**(7.3)**	(4.1)
Unrealized (gain) loss on equity securities	**(7.9)**	(1.8)	**0.8**	(3.7)
Gain on sale of an investment interest	**(3.7)**	—	**(3.7)**	—
Other	**(1.2)**	2.8	**(0.9)**	3.0
Total other (income) expenses	**(12.8)**	0.9	**(11.1)**	(4.8)

17. Cash Flow Information

A reconciliation of liabilities arising from financing activities for the two quarters ended June 30, 2025, is as follows:

	Senior Unsecured Notes	**Revolving Credit and Term Loan Facilities**	**Notes Payable**	**Other Financing Obligations**	**Lease Liabilities**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
January 1, 2025	**548.1**	**661.6**	**116.8**	**57.0**	**642.2**	**2,025.7**
Statement of cash flows						
Net proceeds (repayments)	**422.9**	**(256.0)**	**(48.3)**	**(26.8)**	**(70.6)**	**21.2**
Non-cash changes						
Foreign exchange	**—**	**—**	**2.1**	**(1.2)**	**(4.4)**	**(3.5)**
Additions and modifications	**—**	**—**	**—**	**17.3**	**32.9**	**50.2**
Acquisitions	**—**	**—**	**14.8**	**0.1**	**2.8**	**17.7**
Other	**0.2**	**0.9**	**(0.1)**	**0.9**	**0.9**	**2.8**
June 30, 2025	**971.2**	**406.5**	**85.3**	**47.3**	**603.8**	**2,114.1**

A reconciliation of liabilities arising from financing activities for the two quarters ended June 30, 2024, is as follows:

	Senior Unsecured Notes	**Revolving Credit Facility and Term Loan**	**Notes Payable**	**Other Financing Obligations**	**Lease Liabilities**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
			(Note 3.c)			
January 1, 2024	547.6	487.7	52.0	10.9	579.1	1,677.3
Statement of cash flows						
Net proceeds (repayments)	—	489.0	(32.8)	(52.3)	(54.2)	349.7
Non-cash changes						
Foreign exchange	—	1.5	1.7	0.5	10.6	14.3
Additions and modifications	—	(0.7)	—	52.4	64.8	116.5
Acquisitions	—	—	94.0	36.7	57.3	188.0
Other	0.2	0.4	(1.1)	1.1	0.6	1.2
June 30, 2024	547.8	977.9	113.8	49.3	658.2	2,347.0

In millions of Canadian dollars except number of shares and per share data

	For the quarter ended June 30,		For the two quarters ended June 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Supplemental disclosure				
Income taxes paid, net of recoveries	**93.1**	78.8	**125.0**	87.5
Interest paid, net of receipts	**23.8**	29.8	**39.5**	45.4

18.Segmented Information

The Company provides comprehensive professional services worldwide. It considers the basis on which it is organized, including geographic areas, to identify its reportable segments. Operating segments of the Company are defined as components of the Company for which separate financial information is available and are evaluated regularly by the chief operating decision maker when allocating resources and assessing performance. The Company's operating segments are based on its regional geographic areas.

The Company's reportable segments are Canada, United States, and Global. These reportable segments provide professional consulting in engineering, architecture, interior design, landscape architecture, surveying, environmental sciences, project management, and project economics services in the area of infrastructure and facilities.

Segment performance is evaluated by the chief operating decision maker based on project margin and is measured consistently with project margin in the consolidated financial statements. Reconciliations of project margin to net income before taxes is included in the consolidated statements of income.

Reportable segments

	For the quarter ended June 30, 2025			
	Canada	**United States**	**Global**	**Consolidated**
	$	$	$	$
Gross revenue from external customers	460.9	1,041.2	462.2	1,964.3
Less subconsultants and other direct expenses and net revenue inter-segment allocations	67.2	221.6	78.8	367.6
Total net revenue	393.7	819.6	383.4	1,596.7
Direct payroll costs	183.7	368.2	180.1	732.0
Project margin	210.0	451.4	203.3	864.7

	For the quarter ended June 30, 2024			
	Canada	**United States**	**Global**	**Consolidated**
	$	**$**	**$**	**$**
Gross revenue from external customers	435.5	1,024.3	429.9	1,889.7
Less subconsultants and other direct expenses and net revenue inter-segment allocations	64.8	248.7	82.9	396.4
Total net revenue	370.7	775.6	347.0	1,493.3
Direct payroll costs	173.4	348.0	160.2	681.6
Project margin	197.3	427.6	186.8	811.7

In millions of Canadian dollars except number of shares and per share data

	For the two quarters ended June 30, 2025			
	Canada	**United States**	**Global**	**Consolidated**
	$	**$**	**$**	**$**
Gross revenue from external customers	886.6	2,093.0	908.3	3,887.9
Less subconsultants and other direct expenses and net revenue inter-segment allocations	120.8	468.5	148.9	738.2
Total net revenue	765.8	1,624.5	759.4	3,149.7
Direct payroll costs	356.3	729.4	355.8	1,441.5
Project margin	409.5	895.1	403.6	1,708.2

	For the two quarters ended June 30, 2024			
	Canada	**United States**	**Global**	**Consolidated**
	$	**$**	**$**	**$**
Gross revenue from external customers	791.2	2,009.7	810.2	3,611.1
Less subconsultants and other direct expenses and net revenue inter-segment allocations	96.8	500.2	150.7	747.7
Total net revenue	694.4	1,509.5	659.5	2,863.4
Direct payroll costs	324.8	679.4	305.0	1,309.2
Project margin	369.6	830.1	354.5	1,554.2

The following tables disclose the disaggregation of non-current assets by geographic area and revenue by geographic area and services:

Geographic information

	Non-Current Assets		Gross Revenue			
			For the quarter ended June 30,		For the two quarters ended June 30,	
	June 30	December 31				
	2025	2024	**2025**	2024	**2025**	2024
	$	$	**$**	$	**$**	$
Canada	**679.3**	692.3	**460.9**	435.5	**886.6**	791.2
United States	**1,895.0**	2,020.7	**1,041.2**	1,024.3	**2,093.0**	2,009.7
United Kingdom	**374.8**	367.0	**154.1**	141.0	**321.8**	258.1
Australia	**328.1**	339.3	**100.4**	108.0	**193.0**	209.8
Other geographies	**564.2**	493.5	**207.7**	180.9	**393.5**	342.3
	3,841.4	3,912.8	**1,964.3**	1,889.7	**3,887.9**	3,611.1

Non-current assets consist of property and equipment, lease assets, goodwill, and intangible assets. Geographic information is attributed to countries based on the location of the assets.

Gross revenue is attributed to countries based on the location of the project.

In millions of Canadian dollars except number of shares and per share data

Gross revenue by services

	For the quarter ended June 30,		For the two quarters ended June 30,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Infrastructure	**523.3**	525.1	**1,037.7**	988.3
Water	**427.4**	391.3	**850.2**	771.3
Buildings	**435.3**	420.0	**870.3**	803.9
Environmental Services	**373.2**	372.0	**718.0**	694.0
Energy & Resources	**205.1**	181.3	**411.7**	353.6
Total gross revenue from external customers	**1,964.3**	1,889.7	**3,887.9**	3,611.1

Performance will fluctuate quarter to quarter. The first and fourth quarters historically have lower revenue generation and project activity because of holidays and weather conditions in the northern hemisphere. Despite this quarterly fluctuation, the Company has concluded that it is not highly seasonal in accordance with IAS 34.

Customers

The Company has a large number of clients in various industries and sectors of the economy. No particular customer exceeds 10% of the Company's gross revenue.

19. Events after the Reporting Period

US Tax

On July 4, 2025, the US government signed the "One Big Beautiful Bill Act" (Bill) into law. This Bill introduced a broad range of tax reform provisions affecting businesses with varying effective dates for key provisions. As the Bill was enacted subsequent to June 30, 2025, the impact of the Bill is considered a non adjusting event and has not been reflected in our results. Certain provisions of the Bill will have an impact on the Company's 2025 tax expense; however, we do not expect the impact to be material. As the Company completes its analysis, collects and prepares necessary data, and interprets any additional guidance, the Company may record significant impacts and/or make changes to its estimates.

US$100 Bilateral Facility

On July 15, 2025, the Company entered into a US$100 bilateral facility maturing on July 15, 2027, to provide access and flexibility for its US operations to manage working capital requirements.

Page

On July 31, 2025, the Company acquired all of the issued and outstanding membership interests of Page for a purchase price of US$535 (approximately $730), subject to possible price adjustments for final delivered values of net working capital. Page is a 1,400-person architecture and engineering firm headquartered in Washington, DC that strategically complements our Buildings business and our United States CGU, and serves the advanced manufacturing, healthcare, mission critical, academic, civic, aviation, science and technology, and commercial markets.

Dividends

On August 13, 2025, the Company declared a dividend of $0.225 per share, payable on October 15, 2025, to shareholders of record on September 29, 2025.

In millions of Canadian dollars except number of shares and per share data

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Securities Exchange Listings
Stantec shares are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol STN.

ON THE COVER
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Chichester, United Kingdom