Stantec Inc. (STN)

Updated March 17th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$90	**5 Year Annual Expected Total Return:**	16.6%	**Market Cap:**	$10.2 B
Fair Value Price:	$113	**5 Year Growth Estimate:**	11.0%	**Ex-Dividend Date:**	03/31/2026
% Fair Value:	80%	**5 Year Valuation Multiple Estimate:**	4.6%	**Dividend Payment Date:**	04/15/2026
Dividend Yield:	0.8%	**5 Year Price Target**	$190	**Years Of Dividend Growth:**	14[1]
Dividend Risk Score:	B	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

Stantec Inc. provides professional consulting services in the field of infrastructure and facilities internationally. This includes services in engineering, architecture, interior design, environmental sciences, project management, and project economics. The company also undertakes water provision, transportation, and public works such as transportation planning and traffic engineering. Finally, it serves the urban regeneration, infrastructure, education, and waste industries. Stantec generated $4.73 billion in revenues last year and is based in Edmonton, Canada. All figures in this report have been converted to U.S. dollars.

On February 25th, 2026, Stantec raised its dividend by 8.9% to a quarterly rate of C$0.245.

On the same day, Stantec reported its Q4 and full-year results for the period ending December 31st, 2025. For the quarter, net revenues were $1.18 billion, up 10.9% year-over-year, driven by 3.9% organic growth and 6.5% acquisition growth. Adjusted net income rose to approximately $102.4 million, an increase of 13.2%, with project margins at 54.5%. On a per-share basis, adjusted EPS was about $0.90, up 12.6% year-over-year.

Stantec's contract backlog reached $6.27 billion at year end 2025, up 9.5% from December 31st, 2024, representing roughly 13 months of work. Backlog growth included 8.1% acquisition growth and 3.6% organic growth, with notable contributions from the Buildings business following the Page acquisition and strong momentum in the Global region, where organic backlog growth reached 14.2%.

Management provided its 2026 outlook, expecting net revenue growth of 8.5% to 11.5% and adjusted EPS growth of 15% to 18% compared to 2025. The company also guided for adjusted EBITDA margin of 17.6% to 18.2%, reflecting continued strong project execution and disciplined cost control. Based on this, we estimate FY2026 adjusted EPS of about $4.51, derived from FY2025 adjusted EPS of C$5.30 and multiplied by 1.165, the midpoint of guidance times the CAD/USD rate of $0.73.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.91	$0.68	$0.31	$1.34	$1.21	$1.43	$1.64	$2.15	$2.20	$3.06	***$4.51***	***$7.60***
DPS	$0.34	$0.40	$0.40	$0.45	$0.49	$0.52	$0.53	$0.59	$0.58	$0.66	***$0.72***	***$0.96***
Shares[2]	107.0	114.0	113.7	111.6	111.6	111.2	110.9	111.2	114.1	114.1	***114.1***	***105.0***

Stantec has been growing its revenues consistently over the past two decades, riding the wave of increased spending in infrastructure, net zero-designed buildings, and green energy. EPS lagged from 2016 to 2019, as the company took advantage of its increased operating cash flows to acquire other companies and reinvest back into its business. With scaling, EPS has also started to accelerate over the past few years, and it should continue to do so as the company's margins undergo an expansion phase. We expect an EPS medium-term growth of 11%, powered by the global trend of increased spending in green energy, smart cities, ecosystem restorations, and clean infrastructure. The company has grown its dividend annually in its original CAD reporting since initiating one in 2012. However, in its NYSE listing,

[1] Based on the original Canadian listing.

[2] Share count is in millions.

dividend growth has lagged due to the Canadian dollar's prolonged depreciation against the USD. This applies to the company's EPS performance as well. We expect DPS growth of around 6% in the medium-term, lower than Stantec's latest DPS hike, assuming the company retains sufficient cash to reinvest towards its future prosperity.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	35.2	50.9	103.2	23.1	32.2	33.5	28.7	25.6	35.4	32.0	***20.0***	***25.0***
Avg. Yld.	1.1%	1.2%	1.3%	1.5%	1.3%	1.0%	1.1%	1.0%	0.7%	0.7%	***0.8%***	***0.5%***

Stantec's P/E ratio has fluctuated wildly over the past decade due to volatile EPS for the reasons mentioned earlier. Note that all historical P/E figures relate to the company's GAAP metrics, which are usually affected by one-off events. In any case, the stock's valuation of 20 times the expected FY2026 adjusted undervalues the name in our view. Stantec's solid backlog provides predictability and global infrastructure spending remaining robust. The yield remains low despite Stantec's dividend growth.

Safety, Quality, Competitive Advantage, & Recession Resiliency

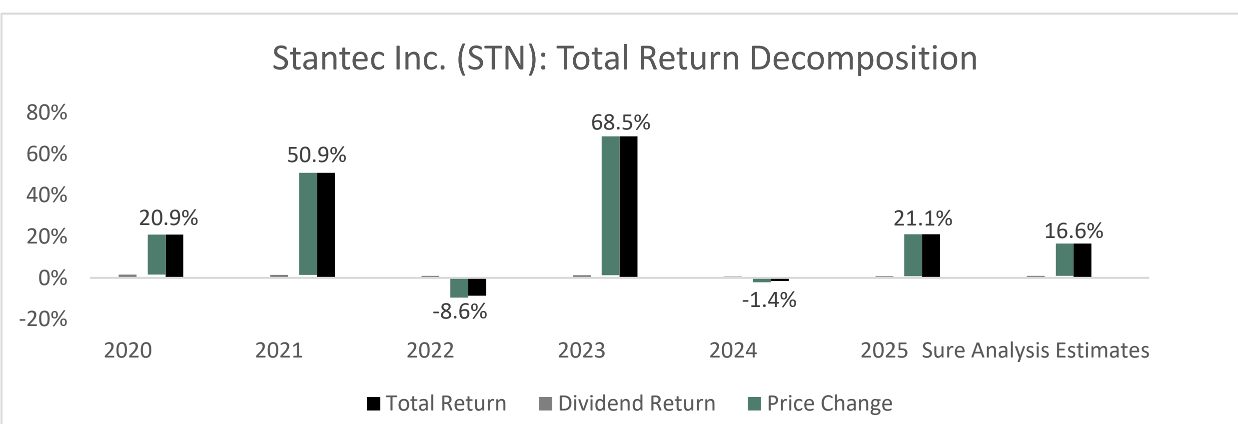
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	37%	59%	129%	34%	40%	36%	32%	27%	26%	22%	***16%***	***13%***

We consider Stantec's dividend very safe. Not only is the payout ratio quite healthy, but EPS is growing at a faster rate than DPS. Further, the company reports high depreciation and amortization levels. Hence, the dividend is covered by an even wider margin from cash from operations. Additionally, Stantec showcases great operational qualities, such as its year-long worth of revenues of backlog, which should be able to sustain a stable performance if demand for its services faces temporary headwinds. We can't identify and particular competitive advantages, though the company's massively wide array of services could make it a more desirable option for future clients against its competitors, which operate in smaller, fragmented markets. Due to having a strong backlog and due to infrastructure and water revenues being secured under long-term contracts, we believe that financials will remain resilient under a potential recession, as was the case during the Great Financials Crisis. Financials remained excellent during the COVID-19 pandemic as well.

Final Thoughts & Recommendation

Stantec exhibits an extended record of excellent shareholder value creation. The company is operating in an industry with favorable growth catalysts ahead, which should result in higher financials and a solid backlog going forward. We forecast annualized returns of 16.6% in the medium-term. Stantec earns a hold rating. American investors should be wary of the FX fluctuations between the USD and CAD, which could sway returns either way.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	2,254	3,247	3,109	3,306	3,637	3,530	3,651	4,364	4,799	5,471
Gross Profit	1,013	1,266	1,359	1,401	1,513	1,441	1,566	1,858	2,033	2,331
Gross Margin	44.9%	39.0%	43.7%	42.4%	41.6%	40.8%	42.9%	42.6%	42.4%	42.6%
SG&A Exp.	775	1,008	1,086	1,110	1,080	1,010	1,135	1,339	1,441	1,668
D&A Exp.	66	96	---	---	---	---	177	218	210	232
Operating Profit	173	162	177	202	252	260	254	301	382	431
Operating Margin	7.7%	5.0%	5.7%	6.1%	6.9%	7.4%	7.0%	6.9%	8.0%	7.9%
Net Profit	123	99	75	37	146	128	160	190	245	264
Net Margin	5.4%	3.0%	2.4%	1.1%	4.0%	3.6%	4.4%	4.4%	5.1%	4.8%
Free Cash Flow	128	166	154	---	---	---	276	176	329	368
Income Tax	43	38	128	42	54	43	50	60	71	76

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,688	3,178	3,088	2,944	3,492	3,442	4,099	4,165	4,581	4,847
Cash & Equivalents	49	156	190	130	171	224	152	109	266	159
Accounts Receivable	403	549	594	569	603	551	618	728	766	894
Goodwill & Int. Ass.	796	1,689	1,447	1,372	1,433	1,455	2,006	1,965	1,997	2,188
Total Liabilities	734	1,712	1,578	1,543	2,055	1,929	2,529	2,480	2,503	2,795
Accounts Payable	89	270	292	163	173	171	167	221	265	312
Long-Term Debt	263	757	588	686	674	538	982	959	869	976
Shareholder's Equity	954	1,465	1,508	1,400	1,436	1,512	1,570	1,684	2,078	2,052
LTD/E Ratio	0.28	0.52	0.39	0.49	0.47	0.36	0.63	0.57	0.42	0.48

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.3%	4.1%	2.4%	1.2%	4.6%	3.7%	4.3%	4.6%	5.6%	5.7%
Return on Equity	13.0%	8.1%	5.0%	2.5%	10.3%	8.7%	10.4%	11.7%	13.0%	13.5%
ROIC	10.1%	5.7%	3.5%	1.7%	7.0%	6.1%	7.0%	7.3%	8.8%	9.2%
Shares Out.	94.1	107	114	113.7	111.6	111.6	111.6	111.1	111.2	114.1
Revenue/Share	23.83	30.25	27.18	29.04	32.61	31.54	32.71	39.29	43.14	47.97
FCF/Share	1.36	1.55	1.35	---	---	---	2.48	1.59	2.96	3.22

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.