WSP Global, Inc. (E&I Acquisition)
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Corporate Speakers:

- Sophie Cousineau; WSP Global Inc.; Vice President of ESG and Corporate Affairs
- Alexandre L'Heureux; WSP Global Inc.; President & CEO
- Alain Michaud; WSP Global Inc.; CFO

Participants:

- Jacob Bout; CIBC Capital Markets; MD of Institutional Equity Research
- Mark Neville; Scotiabank Global Banking and Markets; Analyst
- Michael Tupholme; TD Securities Equity Research; Research Analyst
- Sabahat Khan; RBC Capital Markets; Analyst
- Ian Gillies; Stifel Nicolaus Canada Inc.; Director of Institutional Research and Research Analyst of Energy Services & Infrastructure
- Frederic Bastien; Raymond James Ltd.; MD & Equity Research Analyst
- Devin Dodge; BMO Capital Markets Equity Research; Analyst

PRESENTATION

Operator: Good morning, ladies and gentlemen. Welcome to WSP's conference call. I would now like to turn the meeting over to (inaudible), Vice President of ESG and Corporate Affairs.

Sophie Cousineau: Thank you for joining us today for a special webcast presentation relating to our acquisition of John Wood Group's E&I business, announced this morning. With us today are Alex L'Heureux, our Chief Executive Officer; Alain Michaud, our Chief Financial Officer. This call is being recorded and broadcasted live on our website, where you can also download the information slide deck.

Before I hand the call to Alex, I would like to point out that some statements made during this call will be forward-looking. Actual results or events described in the statements may differ materially from those expressed or implied. We in WSP disclaim any intent to update or revise any of the forward-looking statements. Finally, the presentation is not intended to form the basis of any investment or does not claim to be comprehensive will contain all the information and petitions may need to evaluate WSP Securities. With that, I would now like to turn the call over to Alex.

Alex L’Heureux: Thank you, Sophie. Good morning, everyone, and thank you for joining us today. I'm extremely pleased to share in news with you. Today, we have reached an important milestone by entering into an agreement to acquire John Wood Group's Environmental and Infrastructure consulting business. This leading business better known as E&I is recognized for its world-class expertise in earth and environment.

Just like our [Golder] acquisition in 2021, this addition is another except on our journey to realize our ambition of becoming the undisputed leader in our industry. It also allows our inert environment business to further expand its leadership as the foremost adviser to the world's clean and green transition.

Indeed, this transaction accelerates WSP's growth in high-demand environmental services owing to E&I's complementary expertise, attractive revenue mix and repeat business from long-standing clients. This, in turn, will unlock new revenue opportunities for WSP and through cross-selling. To put things into perspective, with the addition of E&I, our earth and environment business will represent a third of WSP's annualized net revenue of CAD 9.1 billion on a pro forma basis.

Our U.S. E&E practice will also double in size to (inaudible) in a top-tier position. We are especially pleased to scale our U.S. governmental activities at the federal, state and local levels for which E&I consultants have strong credentials. Wood's E&I business represents a rare and extraordinary opportunity to complement our environmental services, and we are thrilled to welcome their approximately 6,000 experts to our organization.

We share a common purpose of making the world a better place. Environmental stewardship is in the DNA of both organizations and our united force will work tirelessly to create a more sustainable and resilient world. This transaction also satisfies all of our acquisition criteria. E&I represents a strategic imperative to our business plan. It creates value. It presents a cultural fit, and we are confident in our ability to integrate it, just as we did successfully with Golder and the numerous acquisitions before that.

With that, I will now turn the presentation over to Alain, who will now cover the key financial terms of this transaction.

Alain Michaud: Thank you, Alex, and good morning, everyone. Let's now look at the key financial highlights of this transaction that are summarized on Page 6 of our presentation. The transaction is based on a cash consideration of USD 1.81 billion, which includes a tax benefit with a net present value of USD 200 million. This equates to a USD 1.61 billion transaction value, representing a 14.6 multiple of E&I's estimated pre-IFRS 16 adjusted 2022 EBITDA and an [11.5] multiple on a post-synergy basis.

The $200 million tax benefit comes from an election made by the seller as part of the transaction, resulting in amortizable goodwill for tax purposes, allowing to reduce annually the amount of tax that WSP will have to pay in the future. While this benefit allowed to reduce tax, the amount of tax payable, it will not affect our tax rate. We anticipate recurring annual cost synergies of USD 30 million to be achieved over a 24-month period. This amount does not include the significant revenue opportunity we plan to derive from cross-selling activities. We expect the transaction that will be immediately accretive to WSP's adjusted earnings per share with mid-teens accretion once synergies are fully realized.

We will fund this acquisition through a new USD 1.81 billion term credit facility, this will lead to an estimated 2x pro forma net debt to LTM adjusted EBITDA ratio at closing, which remains within WSP's targeted leverage range. The transaction is expected to close in the fourth quarter of 2022. It is subject to customary closing conditions, including approval by wood shareholders. completion by wood of a group reorg to carve out the E&I business and certain regulatory approvals. On that, I will turn it back to you, Alex.

Alex L'Heureux: Thank you, Alain. Let us now take a closer look at E&I. Currently, Wood's environmental and infrastructure consultancies conducts close to 90% of its business in North America. The United States accounts for 2/3 of its annual net revenues of about USD 800 million, while Canada accounts for a quarter. This solid U.S. presence was built through strong and long-standing relationships with Fortune 500 companies and federal, state and local governments that, in some instance, stand up to 20 years.

As governments are poised to upgrade their aging infrastructure with sustainability and resilience in mind, WSP will now be uniquely positioned to benefit from the Biden administration's infrastructure plan. Indeed, E&I's expertise spends across all environmental fields and project stages from environmental impact studies, permitting, technical design, engineering to environmental management and land rehabilitation. Furthermore, the business is recognized for its know-how in earth sciences and water, which I will expand on a little later.

The demand for these services is high and shows no signs of abating with the increasing pressure from regulators and other stakeholders to design a more sustainable build environment. In turn, this will make WSP even more resilient in the face of future economic headwinds.

Now let's turn to the all-import why our strategic rationale. This transaction is about expanding our leadership and earth environment and scaling our business with a deep know-how and leading force of our soon-to-be 20,000 strong experts. It is about bolstering our presence in our main OECD markets. It is about powering our company in areas where E&I has complementary strength to ours. -- such as U.S. federal work and U.K. water services. It is about creating more revenue opportunities together by cross-selling to our Fortune 500 clients and by capitalizing on our fast-growing markets. Taking together, E&I will act as a powerful springboard for us to achieve our strategic ambitions.

Moving on to page -- to Page 13, sorry, of our website presentation. Our new scale is now evident. With the addition of our E&I business, WSP expensive leadership and the broad environmental field, including water services. With $3.9 billion worth of environmental consulting revenues, WSP will hold the leadership position in water, climate change, environmental testing and permitting and earth scientists amongst other areas of expertise. As importantly, this transaction accentuates our focus on consulting and advisory business, which will represent 75% of our gross environmental revenues going forward.

E&I will also improve the balance of our revenue, be it by geography, market sector, or client mix. Our strength in earth environment, which will account for 1/3 of our annual net revenues will stand strong next to our transportation infrastructure and property and building franchises. As our client mix between public and private clients, it is nearing a 50-50 equilibrium. The timing for this transaction could not be better. There are a few businesses of scale that can allow us to capitalize on all the climate change work to be accomplished.

Governments and corporations are moving at varying speeds towards a low-carbon economy. This is a massive undertaking of an [unprecedent] that is pushed by regulators, I'm sorry, and other stakeholders with a heightened focus put on all things ESG. Amongst corporation, E&I has been able to build long-standing relationship with blue chip clients, thanks to the quality and value of its expertise. After the transaction closes, E&I's clients will be able to take advantage of the multidisciplinary expertise of WSP. Conversely, WSP will be able to elevate its large client accounts, giving the little overlap between the 2 businesses.

Water also provides a good illustration of how our combined activities can create value. WSP's water services employ 4,000 people and generate over $700 million in annual gross revenues. However, this sometimes goes on notice because of how we segment our operating market between transportation infrastructure and a and environment. For its part, E&I a strong contingent of 600 water experts that are very present in the U.K. where water utilities are amongst some of E&I's top top clients.

By coming together, we create a water hub of scale with over $830 million in gross revenue and 4,600 employees. WSP will thus be able to tap into the megatrends that are reshaping the world such as the renewable of water distribution systems, the fight against water scarcity or the demand for hydro power, offshore wind and other water-related renewables.

In closing, I would like to put this transaction into a greater perspective. When we met in March, we laid out our 2024 global strategic action plan and shared our long-term vision for WSP. Amongst our ambitious goals was to drive growth in the U.S., in Canada and in the U.K. and further grow our E&E business, increase our access to federal government clients, enhance our capabilities in water and expand our ESG-related services. On all 5 objectives, this transaction hits the mark.

Of course, this is only the beginning of our new cycle, and we still have ways to go before reaching our long-term vision. But as I mentioned at the beginning of this presentation, E&I is an important first step forward and are ambitious to become -- ambitions, I should say, to become the undisputed leader in its industry.

Thank you. I would now like to open the lines for questions.

QUESTIONS AND ANSWERS

Operator: (Operator Instructions)

Our first question comes from Jacob Bout with CIBC.

Jacob Bout: Congratulations on the acquisition. Maybe just to start off, just thoughts on why John will to be selling this now. I mean when we take a look at the end markets and margins there, they're looking attractive.

Alex L'Heureux: Look, I can't speak for the Board's decision. I mean, obviously, this is not my role to discuss why John's group decided to sell a crown jewel like the E&I business at this point very difficult for me to answer that question. Sometimes circumstances, sorry, come and go and decisions have to be made, and I will leave it at that at this point in time.

Jacob Bout: Any comments on how competitive this -- the acquisition process was? You been working on this?

Alex L'Heureux: Well, this is WSP and that the Wood Group always maintain very, very good relationship. And this is an asset that I know very well, and I've been following for many, many years. So what I would say is that when we enter this process, I think suffice to say that we have in our personal belief, a very good understanding of the E&I business, and we were very keen to complete the transaction because we believe we are the best home for its employees and professionals, but it was, I think, the marks on all of our strategic objectives over the next 3 years. So for us, it was a perfect fit.

Jacob Bout: Okay. And then maybe my last question here is it so ticks a lot of boxes for your strategic action. And I know the U.S. has been a real focus. Maybe just comment on what your vision is in the Americas post acquisition. Is this going to continue to be a significant focus and what areas are you looking to beef up.

Alex L'Heureux: I'll start with the last part of your question. It will continue to be a very strong focus for me and for the organization. I think there is tremendous room for growth in Canada, tremendous room for growth in the U.S. And I would say that we will be -- we will continue to focus our attention on the tree leadership franchise that we have built but also other service offerings that we are currently offering this morning, I talked a bit about water, so we continue to expand our presence the water sector.

Power is not something I talk a lot about, but WSP is a great brand and power. And I wish to continue to grow our presence in that sector. So we will be looking at growing that. And then from a -- when you look at the geographies, obviously, in Canada, I think we could grow a presence pretty much everywhere. And including the U.S., we have a very strong North East presence. But -- and again, this is not something I talked about a lot, given the limited amount of time I have with all of you. But over the last few years, we have grown our presence in Central U.S. and on the West Coast, and I intend to continue to do that.

Operator: Our next question comes from Mark Neville with Scotiabank.

Mark Neville: Alex, congratulations. Maybe just -- just a first question, just a point of clarification. Just on the revenues that you guys press released and what some of their disclosures. I assume that's the difference between gross and net. And it looks like about an 18% EBITDA margin on that? Would that be about right?

Alex L'Heureux: Yes. We numbers exactly your -- you've got net and gross revenue. So that's the [GAAP] -- the way we look at the EBITDA, we look at it at a 16% to 17% EBITDA margin business. So that's what you'll see on Page 8 of our presentation. As we look at the number of historical down on due diligence, that's post-IFRS obviously, at 16% to 17%.

Mark Neville: Okay. Can you maybe talk about sort of recent growth rates in this business? And maybe just any comments around acquired backlog and sort of expectations for growth going forward?

Alex L'Heureux: Yes, the backlog is -- obviously, this was a big focus of ours when we do diligence the company. I mean the backlog is very strong. And Mark, we are entering new markets. And that, for us, was a big thing for us. I mean it's very, very hard to grow into the federal space organically. You need to have the resume, the relationship and the CVs and the people to be in a position to grow rapidly in the market like the federal space.

So to be in a position to instantly get into in that space and bring our art environment expertise to that sector, this is great. And equally, in the industrial sector, for instance, E&I has a 25-year relationship with Honeywell. And they've been quality, trusted adviser of Honeywell for many, many years. So -- so to be able to access the procurement process, the procurement department and C suite of Honeywell and be in a position to expand the scope of services that we can offer to Honeywell for us, this was big.

Our presence in the industrial sector in the U.S. was to a certain extent, fairly limited. So what I like about this transaction essentially is really the fact that we have a complementary client base, and we are going to be able to cross-sell the services that we are offering to our respective clients at this point in time.

So I'm very, very excited about the prospect of growing the business. And I think like other firms like other firms in that space, I mean, they've experienced good growth in the past. But 1 observation that we'll be making is it's quite hard an environmental consultancy to grow in an oil and gas hydrocarbon business. So the fact that they were able to grow despite that it's a great testament and I believe that with us, we're going to be able to even raise the ceiling level even more. So I'm quite excited about that.

Mark Neville: Okay. If I could just maybe ask one more question the balance sheet. Obviously, the business can support two terms of leverage, but it's sort of towards the high end of your range, typically quite acquisitive. You got ambitious plans like you said. So I'm just curious if there any thoughts or if there are any thoughts just around equity and how the deal is financed or going to be financed?

Alex L'Heureux: Yes. Well, by the end of Q4, our estimation is we will be towards probably a bit higher -- a little bit higher than the mid-range of the outlook that we provided around leverage. So I don't know, 1.6x or something like that. So already, we believe that we will be able to deliver very quickly.

And at the end of the day, Mark, it's very hard to time acquisitions. So I can tell you when the next one will occur, but we're quite active and we're quite ambitious and what we wish to accomplish in this plan. So I feel we have a very, very strong balance sheet and a very resilient balance sheet. So it's not something that keeps me up at night at the moment, knowing that at the end of the year, we'll already be at 1.6x or something like that.

Operator: Our next question comes from Michael Tupholme with TD Securities.

Michael Tupholme: Congratulations. Maybe just very -- to begin with, just to clarify, Alex, the last answer, the 1.6x as I understand it, you're talking about where you would be at the end of the year. The 2x leverage you referred in the release, that would be as of now, if it were to close sort of right away?

Alex L'Heureux: It's Q3. We expect closing to take anywhere between 4 to 6 months. So give it end of Q3, early Q4. So we've used Q3 number expected leverage at closing in end of Q3. And Q4 is as Alex mentioned, is usually one of our strong quarter in terms of collection. And we tend to delever our balance sheet by about 0.5 turn a year, and most of it happened towards the back end of the year. So that's...

Alain Michaud: There's a logic behind it, Michael. But are we going to close in Q3 we had a close beginning. I think while we are -- the way we are thinking about it is assuming a close end of Q3, but deliver oral a bit later and deliver with a very strong collection quarter, we should be in a good position to have a fairly strong balance sheet by the end of this year. But again, don't hold it against us. if we close a bit later in Q4. This is outside of our control. And we'll do our best to close it as best quickly as we can.

Michael Tupholme: Okay. Understood. That's helpful. I'm wondering if you can talk a little bit about in the U.S. and in Canada, where the business seems to have a meaningful portion of its revenues coming from. How does that complement your existing presence in your environment sectors in those markets? And just looking to understand a little bit about sort of the overlap or the lack thereof when you put your business together with their business.

Alex L'Heureux: Well, this transaction, Michael, does hit some or hit the man on so many levels, and that's why I'm so excited by the transaction. We are First, number one, we continue to diversify our U.S. business. We continue to transform our U.S. business 4 years ago, 8% of our net revenue in the U.S. was generated in Transportation and Infrastructure. Don't get me wrong. This is a very strong market, and we are going to continue to grow this market very actively.

But I think you know that this management team, including myself and our Board do like the diversification of our service offering. We like the resiliency of our service offering, and it's always been a part of our strategy to continue to diversify our U.S. business. So today, for instance, with the transformation that occurred over the last few years, if my memory is not failing me, 38% of the total revenue being generated in the U.S. will now be in heart and environment sector. So this is not de minimis. This is significant. We have transformed the organization pretty significantly over the last few years.

In Canada, we are by far, the leaders in that sector. And we are going to continue to invest in that sector. But I mentioned earlier on, I think it's I think it was with Mark or Jacobs, I don't remember, but we are entering new sectors as well. And that, to me, this is not de minimis. The federal space has been on my radar screen for many years. But I've always stated that we wanted to do work in the federal space that was connected and strongly correlated to our service offering in other sectors and client base.

And I think with environment, I think this is the perfect spot to enter that sector. So getting into the federal sector for us is big. And then the industrial sector is something I touch based on. But then we are adding water expertise to our existing platform. And I think this is not something that -- this is certainly a secret when we unveiled our plan to have emissions grow our presence in that sector in the years to come. So to be in a position to add 700 strong leaders in water, it's not de minimis to us.

And finally, I mean, they are operating in other very strong sectors where the cycle is very strong. Mining is close to 10% of their business. Power with the energy transition is something that we are going to be looking to grow. So I feel when you look at the pie chart, you look at the fit. And you now realize that over the course of the last 3 to 4 years, we have grown our earth environment presence from something like 10% of our total revenue to now more than 1/3 the entire business.

While it's something I'm extremely proud of. And it's been our fastest-growing sector over the last few years. So -- and I expected it to continue. So for me, it hits all the mark. We are going to have to integrate it, but they have a great leader in Joe Sczurko. And I'm sure that we're going to be working closely with him and his team to do it to have a seamless transition and do something great with that.

Michael Tupholme: Okay. Thank you for all that detail, Alex. And then lastly for me, can you tell us what we should expect to be added to the balance sheet in terms of lease liabilities on closing as far as the IFRS 16 impact from lease liabilities?

Alex L'Heureux: Yes. The you should take assumptions that are similar to we have on our balance sheet, the P&L impact is in that 3% to 3.5% range of net revenue, but it's not dissimilar to us. But I could circle back an estimated number for you.

Operator: Our next question comes from Sabahat Khan with RBC Capital.

Sabahat Khan: Right. Great. Just want to make sure I understand the margin profile correctly, the 16% to 17% that you've got noted here on the slide is post IFRS 16. But should we assume this is sort of a 2022 EBITDA but pre-synergies. And if that's correct, can you maybe share some thoughts on what sort of post synergies margin looks like on apples-to-apples business?

Alex L'Heureux: The goals are -- first of all, to answer your question is, yes, this is currently '2 margin profile post IFRS but pre-synergies and to -- to give you a very simple answer to a very simple question, our goal is to bring the margin profile of that business up to where we are currently operating with WSP and [Golder].

Sabahat Khan: Okay. And then so I guess -- so this doesn't include the $38 million that you've called out, right? The 17% or...

Alex L'Heureux: (Inaudible). And then -- it doesn't include the cost synergies.

Sabahat Khan: Okay. Great. And then I guess in terms of, I guess, I guess from more of a strategic point, I know you called out a number of factors that attracted you to this asset, I guess, was -- can you maybe talk about just kind of the U.S. mix of the business looks like, obviously, a significant presence in that market. Just trying to get an understanding of kind of the public relationships that they have kind of how this might be positioned within sort of the larger infrastructure bill. I guess was that part of the, I guess, strategic rationale for you guys? Or was it more around kind of the environmental business and that opportunity.

Alex L'Heureux: The mix actually in the U.S. is very similar to the mix of the entire business. So I think if we're not failing me, government represent 25%. So when I talk about the federal business, that's vast net of that 25% would be in the federal space. I talked about industrial. And just one interesting fact, they're top 25 clients in the U.S., in the private sector and public sector have been dealing with E&I for more than 25 years. So this is a company that has or has a very long-lasting relationship that build relationship over many, many years.

And that's also something quite attractive and quite telling when your top 25 clients have an average tenure with the company of in excess of 25 years. So that's something that was quite appealing to us. And then they have to do some -- do some environmental-related work to the infrastructure space, which is about 20%. Then you have water around 10%, energy around 11%, and then all of the businesses would be the other 10%. So that's the mix for the state.

Sabahat Khan: And then just one last quick one. You guys called out 85% repeat business for ENI. I guess, is a lot of this on framework agreement? Or is it just them being able to rewin work with existing clients?

Alex L'Heureux: Well, that space I'd say it's very similar to us, very OpEx driven. So there's a lot of recurrent work coming our way every year. And like older, they have a very good exposure to the private sector, something in all honesty, WSP didn't have on the environmental front. We were a lot more public sector centric. So what's appealing about those 2 transactions is really to bring balance to our E&I service offering to a variety of clients in the public sector, but also in the private sector. So -- so that's the reason why we like the transaction so much.

Operator: Our next question comes from Ian Gillies with Stifel.

Ian Gillies: I wanted to start on the federal exposure side. Are you able to, one, I guess, to talk a little bit about how this may be able to accelerate your bidding into some of the IIJ programs? And two, if you're able to quantify it, can you maybe talk about where your U.S. federal exposure revenue was prior to the transaction and plus the transaction because I know that's of the top market to crack?

Alex L'Heureux: I'm not sure I understood the question. We missed a bit of the first part of your question. Can you just repeat the beginning of the question?

Ian Gillies: Sure. I was just curious on how you think this transaction may impact your ability to go and bid for work from all the infrastructure spending that's occurring in the U.S. as a result of recent stimulus bills?

Alex L'Heureux: Well, we already had a very great franchise. And remember that binding plan is not a federal stand plan only. This is going to flow through the state and local governments, and we have an incredible presence, a very good presence with the state and local. So -- so I think our ability to bid on the work is just going to be increased.

But we -- I think suffice to say that we already had a very good presence. I think what I meant here is our exposure to the federal government with the Department of Transportation, Department of Defense is something that was, in some ways, a bit limited. So to be in a position to do environmental work with those large clients is something that we were looking forward to grow. And I think with E&I, we will be able to access that market.

Ian Gillies: Okay. And then I guess the second part of my question was I just wanted to always try and see if you will to quantify, I guess, where you think the direct federal exposure from a revenue perspective may be post transaction?

Alex L'Heureux: It's more with not something we disclose, client by client. So I'm not going to disclose how much we're doing with (inaudible). I'm not going to disclose how much we do with the federal government, but you can -- I think it's a fair assumption to say that it's going to be signing increased.

Ian Gillies: Okay. That didn't have is helpful. The other question, I just wanted to clarify from the press release know accretion in the mid-single digits once the transaction is all said and done. And I was just curious if this included the tax benefit that you're also acquiring or is that separate from that piece of guidance?

Alex L'Heureux: It's separate, Ian. So it's purely what we're going to drive from the business. Excluding the tax benefit, including the synergies, so accretive at the time of the closing if you take their names with ours, without the benefit and without synergies, it's immediately accretive as described in the position, okay?

Operator: Our next question comes from Frederic Bastien with Raymond James.

Frederic Bastien: Congrats on the transaction. This looks promising. I dialed-in late, so I apologize if this question has already been asked. But can you speak to that $200 million of tax benefit? Just curious where it comes from and where it all falls into -- where that falls into place?

Alex L'Heureux: Sure. So it's an election that has been made by the seller, which gives us access to our goodwill to be deductible for tax purposes. So it's actually going to save us quite a bit of taxes annually, Fred. So it's a cash tax savings that we'll have. And the present value is $200 million. So it affects our cash tax essentially going forward.

Frederic Bastien: So it's not related to any losses that the company might have.

Alex L'Heureux: No, it's not losses we've acquired. It's really the way the transaction was set up. Our goodwill is just deductible. So it gives us deduction against our taxable income, mostly in the U.S. which we don't usually have in transactions like that. So it's an additional benefit that comes with the transaction over and above a great business.

Alain Michaud: So new assets that will generate tax savings for the next for many years to come to come. So it's a real tax cash benefit. It's not just an account -- it's an accounting play here --

Alex L'Heureux: From the modeling perspective, Fred, it doesn't affect tax rate. It affects our cash -- our cash tax payable.

Operator: And we have a question from Devin Dodge with BMO.

Devin Dodge: Look, I know that revenue synergies are outside of your $30 million target. It's likely far too early to put any estimates around cross-selling opportunities as it relates to E&I. But can you speak to how meaningful revenue synergies have been for past deals, either for [Golder] or other platform deals? Or if there are like generic targets that you can typically expect when looking at these environmental focus firms?

Alex L'Heureux: We're not typically putting targets on this. But what I can tell you, if I take the most recent acquisition [Golder] in the first 2 years was well above $100 million of revenues. So I think you've heard me saying that before. Our organic growth strategy is very closely tied to our acquisition strategy. So to me, they are not materially exclusive.

So I do expect additional revenue synergies with Fortune 500 clients where we are going to be able to bring new services to their client base and vice versa. So again, having acquiring access to their client list is something that we look forward to do. And on top of it, I think combining our global client programs, again, I think will provide a great opportunity to follow clients abroad as well. So that's where I see the revenue synergies playing.

Operator: And there are no further questions in the queue. I'll turn the call back to management for closing remarks.

Alex L’Heureux: Thank you all for attending this call and to listen to this very exciting news for WSP. We look forward to updating you in the coming quarters on the evolution of the integration. Thank you very much and look forward to engaging with you again.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect. Everyone, have a great day.