Event **Q4 2021 – Conference Call**
Broadcast **March 10, 2022**

Operator^ (Foreign Language) Good morning, ladies and gentlemen. (Foreign Language) Welcome to WSP's Fourth Quarter and Fiscal 2021 Results Conference Call.
I would now like to turn the meeting over to Quentin Weber, Senior Advisor, Investor Relations. (Foreign Language) Please go ahead, Mr. Weber.

Quentin Weber^ Good morning. We hope that you're all safe and doing well. Thank you for taking the time to join the call, during which we will be discussing our Q4 and fiscal 2021 performance, our outlook for 2022, followed by a Q&A session.

This will be followed at 9:30 am by a three hour webcast where we will present in detail our 2022-2024 Global Strategic Action Plan and Long-Term Vision. With us today are Alexandre L'Heureux, our President and CEO; and Alain Michaud, our CFO. Please note that this call is also accessible on our website via webcast.

During the call, we will be making some forward-looking statements, and actual results could be different from those expressed or implied. We undertake no obligation to update or revise any of these statements. Relevant factors that could cause actual results to differ materially from those forward-looking statements are listed in our most recent management discussion and analysis.

Also, during the call, we may refer to certain non-IFRS measures. These measures are defined in our management discussion and analysis for the year-ended December 31, 2010, which can be found on SEDAR and on our website. Our MD&A also includes reconciliations of non-IFRS measures to the most directly comparable IFRS measures.

Management believes that these non-IFRS measures provide useful information to investors regarding the corporation's financial condition and results of operations, as they provide additional key metrics of its performance.

These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similarly named measures, as reported by other issuers, and accordingly, may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS. With that, I will now turn the call over to Alexandre.

Alexandre L'Heureux^ Thank you, Quentin, and good morning, everyone. As we gather today, I would like to begin by acknowledging the humanitarian crisis taking place in Ukraine. We are deeply troubled by the conflict and our thoughts are with all those who are impacted, including many of our colleagues who have relatives and other loved ones and arms away.

We are closely monitoring the situation in Ukraine and the sanctions which have been imposed in recent days. We can confirm that WSP has no employees or offices in Russia, Ukraine, and

Belarus. While we have a limited number of ongoing assignments involving projects in Russia, we have decided to exit such assignments for which we have a non-material exposure. Furthermore, we will no longer be pursuing any further assignment in Russia.

Putting these unfortunate events aside, I am excited to be here today sharing with you our results for Q4 and 2021, but also proudly bringing closure to our 2019-2021 strategic cycle, and introducing our future ready 2020-2024 Strategic Action Plan, along with an ambition – ambitious -- I'm sorry -- long term vision.

Let me start with our results for which I would like to highlight a key few points - or a few key points I should say. First, the fourth quarter delivered very strong results across all financial metrics organically net (inaudible) by almost 10% in the quarter, and our adjusted EBITDA margin increased by 140 bps versus 2020.

For the full year, our results are equally strong due to growth both the strong performance of our platform and the solid contribution of recent acquisitions. Our adjusted net earnings per share grew by more than 40% and our balance sheet and cash collection remained strong.

Second, market conditions continued to be highly favorable and throughout 2021 proposal activity resulted in a record high backlog with an overall organic growth of 10% year-over-year. The demand of our core sectors is growing, and we are well positioned to leverage those opportunities.

Third, the addition of Golder has been a great success on all fronts. Golder is finishing the year with a strong profitability and an impressive 8% organic growth making 2021 one of the strongest years in its history. Integration is nearing completion and we are proud of the great talent that we have welcomed into the organization.

As we enter 2022, we are seeing a growing number of collaborative opportunities across our key business lines of transportation and infrastructure, earth and environment, and properties and buildings. In summary, we cannot have hope for better finish to 2021 capping off a solid year of achievements.

Our efforts to lead by example in ESG continue to be recognized. I'm proud to share we recently qualify for inclusion in the S&P Sustainability Yearbook, a recognition of our strong position in our industry. We're able to deliver strong rankings and we're also awarded an Industry Mover Sustainability Award for recording the strongest improvement in our industry.

We're also recently recognized as a global market leading provider of ESG and sustainability consulting services in the Verdantix Green Quadrant ESG & Sustainability Consulting 2022 Report. Many ESG and sustainability consultancy firms were assessed on their ability to deliver a wide range of ESG services and support their clients in implementing sustainability in their business, and we were honored to be named as one of the top ranking companies confirming our position of the forefront of our industry.

On the acquisitions front, we remain active and most recently added in-depth policy, financial, technical, and international development expertise to our leading sustainability strategy, and resilient infrastructure capabilities to our acquisition of Climate Finance Advisors, LLC.

Let's now cover a few exciting project wins. With investment in the clean energy industry scaling up, we are in a great position to capitalize on this market and have recently been awarded more than $100 million in work as a direct result of leveraging our global expertise across the entire project lifecycle for high voltage direct current power transmission system.

One of these projects supports a high profile of leading edge $11 billion Clean Path New York Infrastructure Program. When completed, this will deliver more than 7.5 million megawatt hours of emissions-free energy to New York City.

Leveraging our global footprint is also delivering success for our multinational global clients program. WSP was recently awarded a project to complete the permitting for 14,000 kilometers of cable connecting North and South America for Google. The cabling will run from the East Coast of the US to Argentina and we'll be the longest in the world capable of running from a single source or single power source, I should say, bringing greater reliability and bandwidth in South America.

Moreover, we continue to work with the Toronto Transit Commission as we provide multidisciplinary services for the electrification and charging infrastructure of a [Bus Depot]. This is an integral part of TTC's drive to de-carbonize their fleets and power their buses using clean energy. This is a great example of having a direct impact and contributing to the green transition.

Before turning to Alain, I would like to take a moment to review a successful 2019-2021 strategic cycle. Through the deliberate evolution of our core pillars and the dedication and resilience of our people, I am extremely proud to report that we have delivered our 2019-2021 strategic ambitions with over $8 billion of net revenues and adjusted EBITDA margin of 16.8%, significantly above our three year target range of 15% to 16%, and a strong balance sheet resulting from robust cash flow generation standing at 175% of cumulative three year net earnings, which provide ample financial flexibility.

Our 2019-2021 success demonstrates the strength of our diversified platform, the relevancy of our services to our clients, and the strong alignment with market trends driving the world economy. We now have a robust balance sheet and a healthy backlog that can support growth. We're presenting a solid foundation on which to build our next strategic cycle.

Alain will now review our quarterly financial results, and where we finished the year in addition to covering our 2022 outlook. Alain, over to you.

Alain Michaud^ Thanks, Alex. I'm very pleased to report on our strong results for the fourth quarter of 2021 driven by record high organic growth, solid improvement in adjusted EBITDA margin, and stronger cash flow than expected de-leveraging further our balance sheet. For the full year, our results are above expectations resulting from the combined strong contribution of our platform and our recent acquisition.

Let's now review our results starting with our top line. For the fourth quarter, revenues and net revenue reached $2.9 billion and $2.1 billion, up 28.6% and 27.2% respectively, compared to Q4 2020. The increase was driven by acquisition growth of 22% as well as overall record high Q4 organic growth of 9.7%, our best quarter of the last two strategic cycle, with many regions posting low-to-mid-teen organic growth.

Revenue and net revenue for the year reached $10.3 billion and $7.9 billion, up 16.8% and 14.7% respectively, compared to 2020. The Golder acquisition was the main contributor to the acquisition growth and net revenues of 15.3%, while net revenue organic growth of 3.3% was in line with our expectations. We have seen a gradual increase in organic growth throughout the year with H2 posting 7.1% of organic growth versus the same period in 2020.

Let's move on to our profitability. For the fourth quarter adjusted EBITDA reached $361 million representing an adjusted EBITDA margin of 16.8% compared to 15.5% in Q4 2020. The increase in margin is attributable to the higher margin profile of recent acquisition, continued focused on productivity and the margin improvement iniatives.

For the full year adjusted EBITDA reached $1.32 billion, up 25.5% compared to $1.05 billion in 2020. Adjusted EBITDA exceeded the higher end of our Q2 2021 improved financial outlook range and exceeded the higher end of the range of our original 2021 EBITDA outlook by more than $65 million based on the midpoint.

For the fourth -- for the quarter adjusted net earnings stood $172 million or $1.46 per share, up 85% and 78% respectively from Q4 2020. The increase in these metrics is mainly attributable to the higher adjusted EBITDA.

For the year, our adjusted net earnings stood at $593 million or $5.09 per share, up 50% and 42% respectively from 2020. The increase in these metrics is also mainly attributable to higher adjusted EBITDA.

Backlog, as of December 31, 2021, stood at $10.4 billion, representing 11.8 months of revenue. We're glad to report that our backlog grew organically in each of our reportable segment in 2021, representing an overall organic growth of 10%, with $3.3 billion of order intake in the fourth quarter alone.

The Americas reportable segment was showing a flat organic growth in backlog at the end of Q3 versus December 2020, with a strong order intake in Q4, year-over-year organic growth in backlog is now standing at 7.6%.

In addition, we are continuing to see significant momentum in the volume of unfunded contract awards, which is showing year-over-year increase of approximately 70%.

I will now review a few cash flow metrics. Our free cash flow in Q4 2021 was very strong, at $370 million, which represents a record-high Q4 free cash flow generation. Free cash flow for the year came at $646 million, representing 1.4 times our net earnings.

Cash inflows from operating activities stood at $1.06 billion compared to $1.13 billion in 2020. The variance is mainly explained by the fact that 2020 benefitted from a deferral of income tax and other remittances in some jurisdiction.

From a modeling perspective, note that Q1 2022 free cash flow will be impacted by the strong collection of the fourth quarter of 2021 and by an additional period of pay compared to Q1 2021, representing approximately $125 million. This situation will reverse in Q2 2022 and do not impact our objective to generate free cash flow above net earnings.

Our day-sales outstanding stood at 66 days at the end of 2021 compared to 63 days as of the end of 2020 and significantly outperformed our outlook range of 73 to 77 days. Lastly, our net debt to adjusted EBITDA ratio stood at 0.6 times compared to 0.1 times as of December 31, 2020, mainly due to the acquisition of Golder. Strong free cash flow in 2021 resulted in a net debt to adjusted EBITDA ratio lower than our expectation.

During the quarter we also declared a dividend of 37.5 cents per share for shareholder of record as of December 31, 2021, which was paid on January 17, 2022, with a 55 -- 51.5% DRIP participation, the net cash outlay was $21 million.

Let me now comment on the 2022 financial and operational outlook and assumptions. Before I do so, I'd like to remind you that the outlook for our anticipated 2022 performance is aimed as assisting analysts and shareholders and refining their perspective on our performance.

And it has also been prepared on foreign exchange rates effective March 8, 2022. Also, please do bare in mind that we have not considered any acquisition, disposal or any other transaction that may occur after today's date.

We anticipate net revenue to be in the $8.25 to $8.75 million range to post organic growth and net revenue in the 3% to 6% range. Adjusted EBITDA is expected to range between $1.43 and $1.49 billion.

We also anticipate our quarterly distribution of adjusted EBITDA to be slightly different than prior years, in part because Q1 2022 will have one more week than the prior year and Q4 2022 will have one less week than the prior year. For our modeling perspective, our press release, dated March 9, 2022, provides the range of adjusted EBITDA by quarter.

Turning to tax, we expect that our effective tax rate for fiscal 2022 to be in the range of 25% to 29% and we anticipate net capital expenditures to range between $160 and $180 million.

Moreover, we anticipate depreciation of right-of-use asset property and equipment amortization of software to range between $450 and $470 million. Amortization of intangible assets related to acquisition is expected to range between $75 and $85 million.

We also anticipate between $50 million and $60 million in acquisition integration and reorganization costs, driven by the cost to integrate our recent acquisition. The corporation initiated the design, an implementation of a global cloud-based ERP solution with broad capabilities.

Due to recent development in accounting standard, customization and configuration costs can no longer be capitalized and therefore they will be expensed as incurred along with other implementation costs. ERP implementation costs for 2022 are expected to range between $45 and $55 million, based on the current deployment schedule.

Turning to debt, the corporation will continue to manage its capital structure to maintain a net debt to adjusted EBITDA ratio between one and two. And lastly, we anticipate that head office cost will range between $95 million and $110 million in 2022.

In conclusion, we are very proud of our accomplishment in 2021, finishing the year with a strong balance sheet, a robust backlog and a workforce that has grown organically by 9% in 2021, we feel ready to tackle opportunities in 2022. And on that, Alex, back to you.

Alexandre L'Heureux^ Thank you, Alain. As we enter 2022, the key markets we operate in will continue to shape spending and investment in the future. All signs point to an increasing demand for high-quality engineering and consulting services around the globe.

Many of you will be joining us shortly for virtual investor day event, where we will fully discuss our plans and expectations for the next three years. I look forward to sharing more with you later today.

For those unable to participate, I would like to provide you with a brief summary of our strategy. First, let me say that in the process of developing our 2022-2022 global strategic plan, the long-term vision for our company became strikingly clear.

As we look through the lens of our diverse stakeholders and given that many of the world's most compelling transformational trends are well aligned with WSP strengths, expertise and service offerings, we believe WSP is uniquely positioned to create an enduring legacy of greater impact.

As such, our long-term vision sets our destination for WSP to be the undisputed leader in our industry and puts us in a trajectory with aspiration to double in size, achieve sustainable industry-leading organic growth and realize EBITDA margins above 20%.

Our path is clear, we cannot predict with certainty when we will arrive at this ambitious destination, but I can assure you we will get there. With this in mind, we develop our 2022-2024 global strategic action plan to set us on a course to advance toward our long-term vision.

Three forces drive our organization, ESG, innovation and technology. First, our plan is underpinned by unwavering commitment to ESG. Over the next three years we intend notably to make significant progress towards achieving our previously announced 2030 science-based GHG emission reduction target and to continue to grow our clean revenues to more than half of our business.

As for innovation, this is part of WSP's DNA. But simply, we innovate because the world doesn't stand still. There has never been a greater opportunity for imperative -- or imperative -- I'm sorry -- to enable resilience. When it comes to technology, we bring a digital mindset to every project with the objective of leveraging creative digital solutions to create efficiencies in our business and augment the value of client's asset.

Beyond the accelerators, the core of our plan is to continue the evolution of our four pillars. People and culture, clients, expertise and operational excellence. If I can summarize a strategic action plan in four words that encapsulate what our aim -- that what we are aiming to achieve, it would be foster, lead, elevate and transform.

Over the next three years we will continue to create value for our stakeholders by moving our foundational pillars to, first, foster the ingenuity of our people, second, to lead through technical excellence and expertise, third, to elevate the standard in client experience and drive leading performance and efficiency to lastly, the transformation of our company to leverage the scale of our organization.

And we will make key investment in our business practices, technology, and workplace to further -- further increasing our agility and capacity to capture market opportunities. As for our financial ambitions, over the next three years, we aspire to grow significantly through a robust organic growth and the discipline acquisition strategy while delivering improved margin profile bringing us one step closer to our long-term vision.

By 2024 we intend to grow net revenues in excess of 30%, adjusted EBITDA by 40%, and adjusted net earnings per share by 50%. These were some highlights of our strategic action plan that will be soon covered in greater detail on our 9:30 eastern call -- eastern time call for our investor day.

On a final note, I would like to sincerely thank our employees, our board of directors, as well as our clients, and shareholders for their continued support. I would now like to open the line for questions.

QUESTIONS AND ANSWERS

Operator^ Thank you. (Operator Instructions). (Speaking in foreign language). Our first question today is from the line of Jacob Bout from CIBC, please go ahead, your line is open.

Jacob Bout^ Good morning. First question…

Alexandre L'Heureux^ Good morning.

Jacob Bout^ …yes, first question is just on organic growth. Curious to be accelerating here up 4% Q3, 10% Q4. But your guidances for 2022 is 3% to 6% pares conservative. Was that just a function of tougher comps in the back half of the year and how should we be thinking about the shaping of organic growth in 2022?

Alexandre L'Heureux^ I disagree, Jacob, I think -- I don't think it's conservative. It's just that the fact that (inaudible) given our project mix and our geographical footprint Q3 and Q4 tend to be our strongest quarter -- quarters.

Whereas Q1 and Q2 tend to be perhaps from a seasonality point of view perhaps the quarters that are not contributing as much to the total -- to the total net revenue of the company on an annual basis. And that is highlighted in the output that we provided when you look at the seasonality and the adjusted EBITDA fluctuation.

Q1 and Q2 are actually smaller quarter than the last two. So I think on a 12-year basis we are -- we are -- 12 months basis, I'm sorry, I'm comfortable with the output that we provided.

Jacob Bout^ Okay. And then, the guidance implies margin expansion in 2022. There's a lot of moving parts there but how do we reconcile it with some of the factors like wage inflation, higher discretionary spend as we come out of a pandemic, cost of reopening, that type of thing?

Alexandre L'Heureux^ Yes, well, all of the above is factored in. So the wage inflation as you described it is factored in our margin improvement. In previous calls, we had mentioned that we had made some decision throughout the year this year to make adjustments in our business to deal with wage inflation.

We're going to continue to be extremely proactive with this. But I am comfortable that despite the wage inflation we are going to be able to increase our margin profile going into 2022.

Jacob Bout^ Okay. And how does mix play into that?

Alexandre L'Heureux^ I'm sorry, I missed the question, Jacob.

Jacob Bout^ And, sir, how does mix play into that?

Alexandre L'Heureux^ The mix?

Jacob Bout^ Yes.

Alexandre L'Heureux^ Well, the mix I think going into 2022 we -- you look at our backlog at the moment and across the [batch] in Q4 our backlog grew double-digit in every single region where we operate.

So I'd say that right now all of our regions are pulling in the same direction. So I think this is positive, and that's why I'm comfortable going into 2022 that we have the right project mix, and the right footprint mix if that makes sense.

Jacob Bout^ Okay. All right, thanks for that, Alex, I'll save my questions on the strategic outlook for later on today.

Alexandre L'Heureux^ Thank you so much.

Operator^ Thank you. The next question is from the line of Frederic Bastien from Raymond James, please go ahead. (Speaking in Foreign Language).

Frederic Bastien^ All right, good morning, everybody. It was really good to see organic…

Alexandre L'Heureux^ Hi, Frederic.

Frederic Bastien^ Hi, hi, Alex. It was great to see organic revenue and backlog grow the way they did in Q4, which sets you up nicely for this year. I am going to try to ask one question about your new strategic plan. It's really the -- what stood out for me are the -- is really the 20% margin goal you set out for the long-term. And…

Alexandre L'Heureux^ Yes.

Frederic Bastien^ …also the gains you believe you can make on an annual basis, I think it was 30 to 50 basis point. And I'm not sure if that's what's implied for 2022 but how do you -- what lever, we talked about inflation and all that stuff, but what levers can you pull to get you there? What are the big buckets where you're going to pull from to continue to improve margins?

Alexandre L'Heureux^ That there are a number of points that -- number of levers, Frederic, that are allowing us to increase our margin profile. I think -- I think we don't talk enough about this but the expertise that we bring to the table over the years we invested in a lot of smart hires organically.

(Inaudible) WSP we are talking about two M&A strategy. One is companies and firms that are joining our platform but also our M&A strategy around our talent acquisition. And over the years we've hired incredible talent and leaders to the firm. And that is just raising the bar from that point of view.

I think we've hired a lot of great rainmakers that have incredible relationship with clients. I'll just take an example our head of federal in the U.S. who joined us less than 18 months ago we didn't have a person like that before.

Used to be that the CO of the Army Corp of Engineer. So with great relationship, great know-how, and has been able to very quickly assemble a very great team. So that, obviously, is playing into the services that we can offer, the expertise that we can offer, and the price also that we can charge for the services that we are offering.

Our margin profile for the improvement is not about cost-cutting, it's about increasing the quality -- the quality of services that we are offering. And a result -- and as a result of this, we are in a position to charge more for our services number one. Number two, we are at the moment flying the plane and changing the engine at the same time.

Meaning that we continue to transform the organization, and we have been doing that for many years in a row now. A -- just look at our project delivery initiatives, clearly, our margin erosion is reduced, and is reducing year-over-year. So what that means is we are becoming more efficient in delivering project.

And that's two reasons. One is we want to hire and attract the best talent in the industry, number one. Two, we are investing in technology to provide our professionals with the best tool. And I think digital is also playing a big role into the margin improvement of our business.

So I could go on and on like this and talk to you about (inaudible) levers but we have a real game plan about this. And if I mention that we are now seeing the path to a 20% EBITDA business it's because I believe in it.

Frederic Bastien^ No, that's a great answer. And I think it's really a reflection of your continued transition movement to the -- professionalize the firm and continue to hit the water -- high water marks there.

The other one I would want to just dig into is the ERP system, which you started implementing. How long of a process do you think that will take? And are there regions that are being transformed more radically than perhaps others? Or how are you going about it?

Alain Michaud^ Yes, (Foreign Language), Fred. I'll take that one. So the ERP it's, first of all, it's a journey. So we -- we've kicked off -- kick off the project in early September. So we're moving to a global ERP across the organization. It's -- the first part -- the first journey is Canada.

So we'll go -- we'll go one step at a time, we'll not try to convert every single country we run in one shot. So it's a -- it's a prudent approach to this conversion. It's amazing that we were talking about margin improvement, the ERP alone, yes there's the implementation effort but there's also efficiency that will come from a increase insight on the business, better access to data.

So that's the beginning of the journey, Fred, on that front starting with Canada in 2022 and beyond.

Frederic Bastien^ Okay. Thanks for the color, I'll talk later, thank you.

Alexandre L'Heureux^ Thank you, Frederic.

Operator^ Thank you. The next question is from the line of Yuri Lynk from Canaccord Genuity, please go ahead.

Yuri Lynk^ Good morning. Alex, we saw notable uptick in new awards in the fourth quarter. Wondering if you could share your thoughts on how the macro situation has evolved over the last six to nine months?

Alexandre L'Heureux^ The way I would put it, I'd put it simply, Yuri, as I obviously feel better going into 2022 than I was feeling when we went into 2021. If we put things in perspective and make an analogy again -- apply an analogy again, I think last year when we went into 2021, I feel and felt we were flying pretty blind. Where now, I think we are going into 2022 with our eyes wide open and we see clearly. There's not a whole lot of fog ahead.

And I think what you've seen in Q4 is, for instance, in the U.S., the conversion of our soft backlog into hard backlog. And that's a great comfort. I feel quarter-over-quarter, I was telling you well, our soft backlog is growing and our proposal activity is growing and the proposal activity level has never been so good.

But at the same time, I couldn't tell you that proposal activity level was converting into hard backlog and a green light to start building ours on the backlog. So -- but in Q4, what we have seen is perhaps the beginning of that conversion of soft backlog into now hard backlog.

How this will play out in 2022, I hope, that this will continue. I don't expect the U.S. infrastructure build to play much into 2023. I think -- 2022. I'm sorry. Yuri, I think it's more of a 2023 event. However, given the sheer size of soft backlog that we were able to win and assemble in 2021. The fact that we are seeing this converting into hard now, I thought that this was really positive and it's a great way to start the year.

Yuri Lynk^ Okay. Thanks for the color.

Alexandre L'Heureux^ So to be more specific on your -- on the answer, from a macro point of view, what I felt was quite comforting. As I said before, I think during my address to another question that I answered, all of our regions showed double-digit organic growth in Q4 in the backlog. So that was good. It's not just one country or one region that is pulling the Company at the moment.

Yuri Lynk^ Okay. That's helpful. Maybe just shifting a little bit to your outlook. I don't know if it's -- if I'm nitpicking, but it seemed to me in the past that M&A featured a little bit more prominently in your past strategic plans where you would sometimes put headcount goals and stuff like that in the slide deck. No mention of that. So just wondering if you anticipate being as acquisitive during the next cycle as you were in the past?

Alexandre L'Heureux^ Yes. I'll answer that very clearly, the last part of your question, and I'll answer the first part. The answer is absolutely. There is absolutely no reason why we should not be as active and, hopefully, more active than in the past. I think that the pipeline is healthy. I think we see a lot of opportunities. I think market volatility and uncertainty will bring and will provide opportunity for WSP.

I think you know my view on this. In my mind, whether the market is sound or good or whether the market is tough and challenging, there's always opportunity for us to be opportunistic. We have delivered a balance sheet much quicker than we were all anticipating. We're now .5 times EBITDA. So we've all -- already almost delivered entirely the Golder acquisition. So we have every intention to be active on the acquisition front. So I hope I made that clear.

But the reason why I didn't talk about head count in the last plan, Yuri, is because I haven't been able to [delivered] the head count that we had. If there is one metric in each and every plan that we rolled out, the last plan and the plan before, is we have not been able to deliver the head count. So trying to forecast head counts when I look back at the last two times that I have not been able to deliver, I thought that this was not a wise thing to do.

And I ask myself why we have not delivered a head count in this plan and last plan and, frankly, I think it's good news. I think we are now -- if you look at the [few] revenue that we are generating for employee, over the last two/three plans, if I go back -- all the way back to 2012, to our 2015 plan, and then our '16 plan to our '18 plan and now our '18 to 2021, you see a constant increase of fee -- increase fee revenue generated per employee per FTE.

So consistent [feel] for the last decade. We have been doing a lot more with a lot less. And I'm saying that in a very respectful way to our professionals, we are in a position now for FTE to do and generate a lot more few revenue per employees.

And I think it's - the reason being that we are able to - an earlier question that I answered, we are able to charge more for our services per employee, we are able to generate more EBITDA per employee, we are able to leverage technology to our advantage, and we are more efficient along the way.

So, I moved away in this plan from headcount, I will continue to signal the headcount that we will be acquiring as we are completing more acquisitions, Yuri, to you, to assist you. But I felt it important to strike the right balance between headcount growth, digital investment, and margin and organic growth improvement. That's the reason why you see a small nuance in the plan.

Yuri Lynk^ Very good. I appreciate the color and I'll turn it over there.

Alexandre L'Heureux^ Okay, thank you.

Operator^ Thank you. The next question is from the line of Michael Tupholme from TD Securities. Please go ahead.

Michael Tupholme^ Thank you. Good morning.

Alexandre L'Heureux^ Hello, Michael.

Michael Tupholme^ Hi, Alex. I guess the first question is another question - follow up on the margin improvements that you're forecasting or guiding to for 2022. I'm wondering if you can comment on whether or not there are any particular regions that are expected to play a greater role than others in terms of driving the margin improvements you expect in 2022?

Alexandre L'Heureux^ Look, Michael, it's going to be a fairly boring answer but we've gone through an extensive strategic process review with each and every country in the group. And when I mean every country, I mean every country, and we are not factoring any margin reduction in any of our countries at the moment.

So, we are actually all pulling in the same directions. We feel as an organization that we can do better and I think I signaled that to you in the past.

[I sit back] for us to do better, and everybody within the organization is pulling in the same direction and, today, if you do intend to participate into our - or listen into our Investor Day, you will hear from most of our leaders leading our biggest regions and they would call for margin improvement. So - but say that the margin improvement effort is a global effort, not just one effort by one individual or one country, so we're all pulling in the same direction.

Michael Tupholme^ Okay, fair enough. You were asked about inflationary pressures earlier in the call. I was wondering if you can you comment a little bit more specifically on what you're actually seeing in terms of inflationary pressures within the business, any more specific detail that you can provide?

And then I'm also wondering about what that means, as far as what you're seeing in terms of billing rates across the broader engineering consulting industry in view of general inflationary pressures really that are broad based?

Alexandre L'Heureux^ It's a very good question. I think I mentioned before that we are very proactive on that point. Investing in our people is always top of agenda for us. So over the course of 2021, we were not afraid to make adjustments, as we see fit - as we saw fit, I should say, and meaning that even though we have annual salary review processes, I mean, I didn't want to wait a year to adjust our platform.

So - and I think that's a testament of our agility and flexibility. Along the way, in 2021, we've made and decided to make adjustment in some countries to reflect that the workforce and the market dynamics where we're evolving very rapidly. And I'm not going to be afraid to do the same in 2022.

The good news is that this is not just a WSP-centric matter. I think it's felt within the industry. It's felt by our clients. There are external forces outside of our industry impacting our business. The cost of construction have gone up as well as a result of it. So, I think it's fair to say that we are also in a position to work with our clients also to share the burden on this.

So I'm feeling comfortable, Michael, that given the relationship that we have with our client base, given that the visibility that we have going into 2022 that we are in a position to manage the inflation, and we are in a position - we have enough visibility ahead to look at those - at that pressure and be able to deal with it.

Michael Tupholme^ Okay. That's definitely helpful. Thank you. And maybe just one follow on to that, Alex. When we look at the 3% to 6% organic growth guidance you provided for 2022, to what extent does that range really reflect increased volumes of work versus actually factoring in an assumption around higher pricing for your services or with a higher pricing, if that happens, the over and above this three is 6%?

Alexandre L'Heureux^ Well, I think it's factoring everything you just described. I think we were looking at the -- this backlog some -- some of that backlog is short term. So of that backlog that was awarded is longer term, beyond and above 2022.

So I'm feeling comfortable looking ahead with what we know today that the 4 to 6% is a good and appropriate forecast for 2022 given the seasonality that we will experience in Q1, Q2, Q3, and Q4. So -- and as in the past if we feel that we need to adjust the outlook we will.

In 2021, Michael, we adjusted our outlook twice. Of course I don't intend to adjust our outlook twice every year for the next three years. That's not what I am telling you. Last year, as I said we were going into 2021 fairly blind. So -- but this time around I feel we have enough visibility and I'm feeling about the 4 to 6%.

The power of WSP is our diversity and diversification. So you're never going to see a massive spike in organic growth but at the same time I'd be surprised if you'd see a massive downward pressure unless all of our countries are going through a very difficult time all at once. So that 4 to 6% is a number that I'm feeling good about.

Michael Tupholme^ Okay, thank you for the answers.

Operator^ Thank you. The next question is from the line of Dimitry Khmelnitsky from Veritas. Please go ahead.

Dimitry Khmelnitsky^ Hi. Good morning. And thanks a lot for taking my call. So hopefully I'd like to ask a question about the 200 basis points margin improvements improvement over the next three years.

Can you perhaps provide the key drivers for the margin improvement by the order of the market share in terms of most important aspect and then so on and then less important?

Alexandre L'Heureux^ You mean country by country or 55 countries?

Dimitry Khmelnitsky^ No, I meant the over -- sure, yes, that would be too long of a question. So the 30 to 50 basis points per year improvement over the next three years…

Alexandre L'Heureux^ Yes.

Dimitry Khmelnitsky^ …what are the clear reasons driving it in terms of number one most important, number two most important, et cetera.

Alexandre L'Heureux^ I -- I -- I believe clearly the optimization of our company that the project delivery initiative that we have underway within the company is one very important one. I -- perhaps the most important one I mentioned that earlier on was the talent that we bring to the table and the price that we are able to charge for our services.

If I look back to where we were decade ago, we're already in 2022 and I look back at the [WS] acquisition in 2012 (technical difficulty) today this year is going to be the 10th year anniversary of our acquisition of [WSPN] and I look at the expertise that we are -- that we have been able to add to our existing platform has been extraordinary in the last decade.

And clearly there's a benefit to that. We have been able to be more upstream with our clients. We have been able to increase the price that we are charging for our services and frankly our clients are pleased to be paying that price because I believe they are getting a great service.

And that adapt is proven by in the free cash flow that we are able to convert on an annual basis as a percentage of our earnings per share. We have been consistently able to reduce the time between we in -- are invoice and the time that -- between we collect the cash and this is the best satisfaction survey that you can think of when your clients are paying you quickly is because they are happy to pay you and they are satisfied with the service that you are rendering.

So I think the expertise that we have been able to assemble on this platform is great and I expect this to continue. And as I said before we are -- we continue to transform the organization in such a way that we are now seeing and we continue to see margin improvement if we do this well and that's why our long term vision calls for 20% EBITDA margin.

If we do this right and we execute right in the next few years I am confident that one day we can get there.

Dimitry Khmelnitsky^ Got it. Okay. Thank you. And then the next question is can you describe what are the concrete benefits that the ERP system would provide to WSP that you don't have today or that could be improved in [terms of or have] winning more work and greasing efficiencies internally [project execution] if we -- if you could spell out those key concrete benefits that would be helpful.

Alexandre L'Heureux^ Well, let me just say that to start with we already have a great platform. We already feel that we have a great organization from an operational excellence point of view.

But if we want to continue to raise the bar and continue to challenge the status quo in the organization, we also have to continue to invest in technology and we need to continue to invest into the company and our people.

So the reason why we are doing this is it's part of the journey of WSP we wish to continue to build more commonality to continue to leverage best practices. And example of that will be global collaboration with our global clients.

I talked about -- in my address I talked about the project that we will be doing for Google between our American and South American team providing and leveraging the platform by having global technical tools to better work together is -- has to be part of our equation and our strategy and that's why we feel that the investing even more in a company will bring fruits and will bring some benefits to the business.

So we think the timing is right. We think that we are in the time and the place in our company to do this and I'm confident that we have the team to deliver it.

Dimitry Khmelnitsky^ And so the ERP, for example, using your Google example, if I can explore that further. Would that enable you to better share information between WSP and our -- and your clients and put a lot of data sharing kind of in real time on the same platform?

Alexandre L'Heureux^ Absolutely. Especially as it relates to project delivery. To have dashboard that we will be able to share amongst ourselves but also our clients will be important and actually we are using more and more technology to exchange information with our clients and therefore the continued investment of -- and technology in our firm is to us not an option but a requirement. So absolutely.

Operator^ Thank you. And there are no further questions at this time so I'll hand the call back to Alexandre for some closing remarks. (Foreign Language).

Alexandre L'Heureux^ Well, thank you very much for attending this call. I look forward to hopefully hearing from you in 30 minutes at our 3-1/2 Investor Day. So we'll be talking soon. Thank you very much and talk to you later.

Operator^ Thank you. This does conclude the conference for today. Thank you for participating and you may now disconnect your lines. (Foreign Language).