WSP Global Inc. Third Quarter 2026 Results
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Corporate Speakers
- Alexandre L'Heureux; WSP Global; President and Chief Executive Officer
- Alain Michaud; WSP Global; Chief Financial Officer
- Quentin Weber; WSP Global; Head of Investor Relations

Participants
- Sabahat Khan; RBC Capital Markets; Analyst
- Steven Fisher; UBS; Analyst
- Krista Friesen; CIBC; Analyst
- Frederic Bastien; Raymond James; Analyst
- Devin Dodge; BMO Capital Markets; Analyst
- Maxim Sytchev; NBC Capital Markets; Analyst
- Michael Tupholme; TD Cowen; Analyst
- Ian Gillies; Stifel; Analyst
- Chris Murray; ATB Cormark Capital Markets; Analyst

PRESENTATION

Operator^ Good day, and thank you for standing by. Welcome to the WSP Global Inc. Third Quarter 2026 Results Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. Please note that today's conference is being recorded. I would now like to turn the conference over to your first speaker, Quentin Weber, Head of Investor Relations. Please go ahead.

Quentin Weber^ Thank you, and good day, everyone. We will discuss our Q3 2026 results and performance today, followed by a Q&A session. Alexandre L'Heureux, our President and CEO; and Alain Michaud, our CFO, are joining us this morning. Note that this call is also accessible via webcast on our website.

During the call, we may make forward-looking statements. Actual results could differ 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 in the forward-looking statements are listed in the MD&A for the quarter ended September 25, 2026, and the financial year ended December 31, 2025, which can be found on SEDAR+ and on our website.

In addition, during the call, we may refer to specific non-IFRS financial measures. These measures are defined in our MD&A for the quarter ended September 25, 2026. Our MD&A includes reconciliations of non-IFRS financial measures to the most directly comparable IFRS measures.

Management believes that these non-IFRS measures and other financial 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, may differ from similarly named measures reported by other issuers and, accordingly, may not be comparable. These measures should not be considered 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 thank you all for joining us this morning. Let me start by saying that we are pleased with our third quarter results, which continue to demonstrate the strength of our diversified platform. We delivered a strong third quarter with growth across all reportable segments, continued margin expansion, record backlog and solid cash generation.

Our quarterly results came in line with our quarterly outlook ranges, and our key financial measures -- net revenues, adjusted EBITDA and margin, adjusted net earnings, backlog and free cash flow -- all improved year-over-year. The fundamentals that fuel our business are sound, and our positioning across our end markets and regions is strong. Let me highlight four points for the quarter.

First, net revenue increased 22% year-over-year, including 5.1% organic growth. This was led by double-digit organic growth in the U.K. and Canada and the second consecutive quarter of organic growth in APAC, partly offset by a more measured pace of project conversion in the Americas. This was our strongest quarter of organic growth since Q4 2024 and our second consecutive quarter above 5%.

Second, backlog reached another record level of $20.3 billion at quarter-end, up 23.5% over the last 12 months and representing 11.6 months of revenue. For the second quarter in a row, organic backlog grew at or above 5% over the same period last year, led by the U.S., the U.K. and Australia. In the Americas, year-over-year organic backlog growth improved sequentially from negative 1.4% in Q1 to 2.1% in Q2 and 4.9% in Q3.

Third, adjusted EBITDA grew 23.4% and adjusted EBITDA margin expanded 30 basis points to 20.5%, mainly driven by strong margins in the U.S. and Canada. Year-to-date, adjusted EBITDA margin stands at 18.9%, up 70 basis points, reflecting our continued and disciplined focus on productivity and margin improvement.

Fourth, our Power & Energy platform continues to scale. TRC's Power & Energy market sector delivered double-digit net revenue growth in the first nine months of 2026, and the integration is progressing as planned. More than 100 joint pursuits are already demonstrating the strength of our combined offering. Before turning to our regions, let me step back and explain what these results tell us about WSP's positioning.

We are in the early stages of a generational investment cycle. Grid expansion, energy capacity, defense, nuclear, water, critical minerals and digital infrastructure are reshaping our clients' capital plans. These markets increasingly require scale, technical depth and an integrated offering from planning to delivery. WSP is exceptionally well positioned for this shift.

Our results this quarter reinforce three points: execution remained strong; our diversified portfolio is performing as designed; and our addressable opportunity continues to expand.

The power of diversification, both geographically and by end market, is creating a resilient environment for WSP. With that context, let me turn to the regions and focus on the developments that matter most.

Starting with Canada, we delivered an excellent quarter with organic growth of 10.2%. T&I, or Transportation & Infrastructure, performed strongly, and momentum continued to build across energy, mining, defense and data centers.

We remain involved in 68 of the country's 100 largest public sector infrastructure projects, more than any other company in the industry. The acquisition of GCM Corpo will further strengthen our energy and industrial capabilities.

Looking ahead, demand remains healthy across transportation, defense, data centers, water, aviation, energy and municipal infrastructure, with additional opportunities from the federal push to accelerate nation-building projects.

Canada's quarterly growth also benefited from the timing of certain project milestones. We do not extrapolate any single milestone into future quarters. What gives us confidence is the breadth of demand across transportation, power, mining, defense, data centers and municipal infrastructure, together with a strong pipeline of nation-building programs.

Turning to the Americas, our view of the underlying demand in the U.S. has not changed, but our view of the pace of conversion has. Since our second quarter results, we have seen longer timeframes between project award, funding authorization and the start of work in parts of our public sector Transportation & Infrastructure and Earth & Environment market sectors. Federal funding reviews in various agencies have contributed to these delays.

Importantly, demand remains strong. Year-over-year organic backlog growth improved sequentially through 2026 to reach approximately 5% in Q3. Backlog covers over 12 months of revenue, while our Transportation & Infrastructure backlog represents 13 months of revenue with a 1.2 book-to-bill ratio, demonstrating continued award activity.

As we head into 2027, we are closely monitoring funding authorizations and client mobilizations, as well as developments following this week's midterm elections. The U.S. is not one market moving in one direction. Core highway funding remains comparatively well supported, and streamlined federal permitting should, over time, move projects more quickly into engineering, design, program management and construction support. At the same time, the structural drivers in Power & Energy continue to strengthen, fueled by electrification, energy capacity and the need to modernize aging grids.

Our recent selection by American Electric Power as a delivery partner for its Western regulated transmission portfolio is a clear example of how major utilities are securing engineering and program management capacity to deliver significantly expanded capital plans. This is an important strategic win for our U.S. business and demonstrates the type of long-duration client relationship we believe our expanded Power & Energy platform can increasingly capture.
On data centers, we are closely monitoring the pace and location of capacity additions, but we do not view our Power & Energy opportunity as dependent on a single end market. Utility capital plans are being driven by load growth from multiple sources: grid reliability, electrification, aging infrastructure and the need for new generation and transmission.

On data center, we are closely monitoring the pace and location of capacity additions, but we do not view our Power & Energy opportunity as dependent on a single end-market. Utility capital plans are being driven by load growth from multiple sources: grid reliability, electrification, aging infrastructure and the need for new generation and transmission.

POWER Engineers and TRC are growing at a double-digit pace year-to-date. Integration remains on track, and the more than 100 joint pursuits give us increasing confidence in the revenue and synergy opportunity in 2027. To sum it up, our view of the U.S. opportunity has not changed. Our view of the timing has. With a backlog of $11 billion, up 5% organically year-over-year, the work is there. What we are managing is the pace at which it converts, and the pace of improvement will depend on observable client actions: funding authorizations, task order releases, project mobilization and utilization.

Based on what we see today, we expect the recovery to be gradual rather than linear. The sequential improvement in backlog supports our confidence in the opportunity, but we will remain disciplined on the timing we build into 2027. In Latin America, our mining business is performing well, supported in part by strong demand for copper.

Turning to EMEIA, organic growth reached 10.5%, and backlog grew by almost 12% organically over the last 12 months. The U.K. delivered its fifth consecutive quarter of double-digit organic growth, supported by T&I, Power & Energy and data centers. We are also expanding in defense and nuclear, while the AMP8 investment cycle is expected to support increased water activity. The acquisition of Hulley & Kirkwood further strengthens our building services capabilities.

In Central Europe, conditions remain healthy, with selective strength in data centers, industry, energy and defense. Turning to the Middle East, we continue to perform in line with expectations, with Transportation & Infrastructure and Property & Buildings both delivering double-digit organic growth in the quarter.

We secured work with key clients, notably the modernization of King Fahd International Airport in Dammam. The evolving geopolitical situation has, however, prompted governments to review spending priorities and adopt a more considered approach to the timing of new project awards. We are, therefore, taking a prudent near-term view of the region, focusing on converting priority pursuits, expanding into new sectors and maintaining our strategic and commercial discipline.

Finally, APAC delivered organic growth for a second consecutive quarter. Australia has healthy momentum, supported by Property & Buildings and a major transport program, and the acquisition of e2M expands our ecology and approvals capabilities.

In New Zealand, lower public spending continues to weigh on activity, and we are taking actions to deliver sound results in the current environment. APAC margins were lower year-over-year, principally reflecting the regional mix and foreign exchange (FX) hedging, together with continued softness in New Zealand.

We are addressing the elements within our control, including the cost base, utilization and project execution, while protecting the capabilities needed to benefit when activity improves in New Zealand. With that, I'll turn it over to Alain, who will walk you through our financial results.

Alain Michaud^ Thank you, Alex, and hello, everyone. I'm pleased to report on our financial results for the quarter this morning. Let's start with growth. In the third quarter, revenues increased 16.6% year-over-year to $5.3 billion, while net revenue increased 22% to $4.23 billion, within our quarterly outlook range. Net revenue organic growth reached 5.1%, with all reportable segments contributing. Acquisition growth was solid at 15%, mainly attributable to TRC and Ricardo.

Canada and the U.K. had (inaudible) performance, both delivering double-digit organic growth. APAC delivered organic growth for the second quarter in a row, and TRC's Power & Energy market sector achieved double-digit net revenue growth in the first nine months of 2026.

Backlog reached a new record level of $20.3 billion as of the end of September, up almost 24% over the last 12 months and representing 11.6 months of revenue. Organic growth was at or above 5% over the same period, marking the second consecutive quarter of backlog organic growth at or above 5%, while the Americas has shown sequential increases in year-over-year organic growth throughout 2026.

Moving on to profitability, adjusted EBITDA in the quarter grew to $865 million, compared to $700 million in the third quarter of 2025, an increase of 23%, in line with management's quarterly outlook range. Adjusted EBITDA margin for the quarter increased 30 basis points to 20.5%, compared to 20.2% in the third quarter of 2025. The improvement was mainly driven by strong margins in the U.S. and Canada.

For the first nine months, adjusted EBITDA grew 23.3% to $2.3 billion and margin expanded by 70 basis points. The year-to-date margin improvement reflects a combination of stronger regional operating performance, productivity and cost discipline as well as favorable foreign exchange. We are very pleased with the margin outcome.

Adjusted net earnings for the quarter reached $431 million or $3.22 per share, up by $62 million or $0.38 per share compared to the third quarter of 2025. The increase is mainly attributable to higher adjusted EBITDA, partially offset by higher interest on long-term debt following the issuance of senior unsecured notes in the first quarter. Net earnings attributable to shareholders were $334 million or $2.48 per share, compared to $285 million or $2.18 per share last year.

As for our cash position, cash inflows from operating activities were $496 million in the quarter, up from $440 million, and free cash flow was $333 million, compared to $315 million in the third quarter of 2025. Free cash flow for the nine-month period ended in September stood at $588 million, and trailing 12-month free cash flow amounted to $1.41 billion, representing 1.4 times net earnings attributable to shareholders.

DSO as of the end of September stood at 73 days, compared to 71 days at the same time last year. Our leverage ratio stood at 2.2 times at quarter-end, slightly above our target range following the TRC acquisition. We remain on track to return to our target range by year-end, supported by earnings growth and cash generation.

Our capital allocation priorities remain unchanged: fund organic growth, integrate our recent acquisitions, return leverage to our target range and preserve flexibility for disciplined, value-creating opportunities.

Turning to our 2026 outlook. The financial outlook issued on February 25, 2026, and revised on May 6 and August 5, 2026, is reiterated, except for net revenue and adjusted EBITDA, which we are narrowing to between $16.3 billion and $16.65 billion, and between $3.11 billion and $3.15 billion, respectively.

As mentioned last quarter, given the progress achieved to date, we are now comfortable that we will reach our 2027 adjusted EBITDA margin target of 19% in 2026. Reaching our target early gives us flexibility in 2027 to invest selectively in talent and capabilities that support sustainable growth while maintaining strong operating discipline.

For Q4 2026, we expect net revenue to range from $4.1 billion to $4.45 billion, and adjusted EBITDA to range from $810 million to $850 million. Our outlook now assumes low single-digit organic growth in net revenue for the Americas reportable segment and upgraded mid- to high-single-digit organic growth for EMEIA. In the U.S., project conversion is progressing at a more measured pace than anticipated.

Importantly, backlog and award activity remain healthy, reinforcing our view that this is primarily a timing issue. The contribution from emergency response services in the Americas is expected to be below the historical average in the fourth quarter, given the muted hurricane season in the U.S.

In APAC, we expect reduced public investment in New Zealand to continue to temper activity levels. We will not be providing 2027 guidance today. At this stage, the key building blocks are clear: a healthy backlog and structural demand in Power & Energy and other priority sectors, continued strength in Canada and EMEIA, and a gradual rather than immediate improvement in U.S. project conversion.

We will provide our formal outlook with our year-end results based on the visibility available at that time. I would like to remind you that this outlook is intended to help analysts and shareholders refine their perspective on our performance, and using this information for other purposes may be inappropriate. Actual results may differ and such differences may be material.

Our outlook assumes that foreign exchange rates, inflation, interest rates and the effective income tax rate will remain consistent throughout Q4 2026. Also, our selected financial outlook does not include any dispositions, mergers, business combinations or other transactions that may be announced or completed after today.

With three quarters now behind us, our results -- organic growth across all segments, continued margin expansion, a record backlog and solid cash generation -- put us on a strong footing to close out 2026. With that, back to you, Alex.

Alexandre L'Heureux^ Thank you, Alain. Let me close by bringing the quarter back to the broader investment thesis. The generational investment cycle I described earlier continues to broaden across our markets. Clients are committing capital to larger, more complex and increasingly interconnected programs. Grid expansion, energy capacity, defense, nuclear,

water, critical minerals and digital infrastructure are changing both the scale of our clients' capital plans and what they need from their advisors.

We continue to strengthen this platform, most recently with the acquisitions of GCM Corpo in Canada, Hulley & Kirkwood in the U.K. and e2M in Australia. Our priorities remain straightforward: convert our record backlog into profitable growth, generate strong cash flow and maintain financial discipline.

At the same time, the opportunity in front of us is expanding. The world's infrastructure needs are becoming larger, more complex and more interconnected -- precisely the environment in which WSP's scale, technical depth and global platform create the greatest value. With that, we will now open the line for questions.

QUESTIONS AND ANSWERS

Operator^ (Operator Instructions) Our first question comes from the line of Sabahat Khan from RBC Capital Markets.

Sabahat Khan^ Maybe just starting with the overall demand outlook commentary you shared around the U.S., Alex. I think you referenced some delays in project conversion, while backlog growth has been good. Can you maybe detail the conversations you're having with some of these clients? Is it that they added a project to the backlog and then tariffs got put in place?

We've been hearing some commentary about public funding in the U.S. not being good. What are the things that they're looking for? I think you mentioned the recovery will be gradual. Can you share some of the milestones or items that we should be keeping an eye on and that you're discussing with your customers, primarily for the U.S. market?

Alexandre L'Heureux^ Yes. Well, first of all, let me start by repeating what I said earlier. Our view of the U.S. market has not changed. It's the timing that is slightly moving to the right. At the moment, what we're seeing is a very strong level of proposal activity. On backlog growth, you saw the sequential increase in our U.S. business, which has gone from minus 1% to 2.5% to 5% now.

So the backlog is growing, and there's a lot of activity in the pipeline for WSP. But the funding, and accessing that funding, has been slightly more challenging for our clients. Getting the notice to proceed from our clients is what has caused the delay -- not everywhere, but especially in public work, so in Transportation & Infrastructure and in the portion of our Earth & Environment business related to transportation.

The funding from the federal government to the states and localities has been delayed in some instances. And obviously, the December 11 deadline, which will hopefully be extended by the existing Congress to the new Congress on January 3, should unlock some of that.

But that's what we have seen in the second half of this year. So, as I said, it's a very, very strong market, and backlog is growing. But accessing the funding has caused some delays in some parts of our U.S. business.

Sabahat Khan^ Great. And then just a second question, I guess, on the margin side, and not trying to front-run the 2027 guidance. Alain, I think you mentioned that the overall algorithm is largely intact. Without getting numerical, are there any building blocks on the 2027 margin outlook? I think TRC contributed for a good chunk of the year. But are there any other big-picture margin drivers that we should think about for 2027 as the demand environment evolves?

Alain Michaud^ We're currently working on it, Saba. Budget season is in full swing. So, as you said, I will refrain from giving you color on 2027. What I can tell you, though, is that we're now very comfortable with our margin trajectory for 2026. We will reach our 2027 target a full year in advance.

So that's more than 100 basis points in two years that we will have delivered, with less operating leverage than we would have had with higher growth. But despite all of that, we delivered strong margins, and we're very proud of that. That's part of our DNA, as you know. So we'll take that into consideration as we look into 2027.

Operator^ Our next question comes from the line of Steven Fisher from UBS.

Steven Fisher^ Congrats on the solid results. I want to talk about Canada a little bit. Canadian year-over-year backlog growth had a pretty big swing from Q2 to Q3. I'm just curious what you think the underlying trend is there. I know backlog can be a little lumpy.

So I'm just curious, given that swing. And maybe related to this, following the Canadian Investment Summit last month, what sort of opportunities do you think could be presented there, and in what timeframe?

Alexandre L'Heureux^ Yes. Well, as you mentioned, backlog can be lumpy given the size of the projects, and I think I said that in my address this morning. We are now dealing with so many large programs in our portfolio at WSP that one award can significantly shift backlog growth from one quarter to the next. So I would caution our investors and analysts against drawing conclusions from one quarter.

The fact that backlog is, I think, minus 1% or flat this quarter is not giving us any concern whatsoever for our Canadian business. We've had a great year. We see a great pipeline of opportunities. And commenting on the Investment Summit, I had the opportunity to participate in it and engage with many of the sovereign funds present. And yes, I think this is going to provide loads of opportunities in the next few years.

We saw a number of announcements by the federal government in recent weeks and since the Investment Summit. I think this will hopefully, and definitely, encourage greater productivity investment in the country. But in order to be more productive as a country, you've got to have state-of-the-art infrastructure, and I think this government is very well aware of that.

So I think we're going to see tremendous investment in ports and marine infrastructure. We're going to see investment in airports and roads, in defense and, obviously, in the energy sector. When we talk about data sovereignty being a high priority for this country, I think we should be expecting a lot of investment in the energy sector.

So all that to say, am I concerned about our backlog growth in this quarter? Absolutely not. We're feeling extremely good about our Canadian country -- our Canadian business, sorry. And country, by the way.

Steven Fisher^ Sure. Just as a follow-up, going back to the U.S., on the slower pace of conversion, I'm curious what you think really triggered it. I know you talked about it in the context of the Highway Bill. Was it basically getting to the endpoint of the IIJA and seeing that deferral to December? Because it sounds like you think another extension in December will help.

But I'm curious, do you think this is a broad, industry-wide issue for all players? Or is there anything in particular about your area of exposure? And what do you think the catalyst is to get it to reaccelerate? Is it another extension? Or do we really need the full new bill to get this moving again?

Alexandre L'Heureux^ Look, since the administration was elected in late 2024, as you've seen and witnessed, there have been a lot of changes in priorities by this administration, certainly in infrastructure spend. It has been very focused on the traditional energy sector, which has benefited WSP in some fashion.

Obviously, there has been tremendous investment in AI. But it also put in place the Government Accountability Office, which was designed to review many projects that were outstanding during the IIJA funding process. I think it was 2,500 projects that had to be reviewed by the Government Accountability Office.

And when you combine this with the permitting reform that has been taking place over the last 12 to 18 months, it is creating some delays. Whether you like it or not, when you're changing priorities like this and reviewing projects like that, it is going to create some delays. The good news is that of those 2,500 projects that have been reviewed and finally approved, very few were either delayed for a very long period of time or canceled.

So for me, when I look at it at a very high level, my view of our U.S. business and of the infrastructure market in the U.S. has not changed. I think it's a buoyant market. The demand is there. And, more importantly, the needs are there. And we have seen backlog growth in the U.S. market.

But as I said, I believe the pace at which we are going to be accessing the funding, because of everything I just explained, will be gradual rather than linear. So we are obviously monitoring this. But as I said, there have been no cancellations; it's the timing that is the issue at the moment. So that's our view of the U.S. market at the moment.

Operator^ Our next question comes from the line of Krista Friesen from CIBC.

Krista Friesen^ Not to beat a dead horse here, but just on the U.S. market, how are you thinking about the extension that's expected on December 11? Do you really think that will change much in your customers' minds, or is that too temporary? And do you think we really need to wait until the Build America 250 Act is passed into law?

Alexandre L'Heureux^ Look, I don't have a crystal ball, and I'm not a political expert, so I can only tell you what I think is going to happen. I think the December 11 deadline will get

extended to allow the new Congress to review what it intends to do and the negotiations it intends to have with the President.

But as I said, to me, this is noise. When you look at the business as a whole and at the U.S. market as a whole, it is the biggest market in the world, where the needs are the greatest. And yes, temporarily, we may have a bit of noise in the system.

But the backlog is growing. I'd like to remind everyone that we delivered a 22.5% margin in our U.S. business, so it's one of the most profitable markets in the world. I just think it's a moment in time, and we'll get back into growth mode when all that noise is behind us.

Krista Friesen^ I appreciate that. And maybe just pivoting to M&A, can you give us an update on what the pipeline looks like for you and maybe how valuations are trending there?

Alexandre L'Heureux^ Look, we completed three acquisitions in the quarter -- smaller in size, mind you. We continue to have formal and informal discussions. M&A is part of our fabric; it's part of our DNA. And we believe that our platform continues to be subscale in some areas of our business.

So at the right time, with the right opportunities, we would like to continue to grow our platform through acquisitions. On valuation, at the moment, I'd say that it's quite constant. We haven't seen a major shift in valuations at this point in time. But in the past, we've done some of our best deals in periods like today. So we remain on the watch, and we'll see what the future brings.

Operator^ Our next question comes from the line of Frederic Bastien from Raymond James.

Frederic Bastien^ Just building on prior questions, your proposed acquisition of GCM Corpo clearly suggests growing confidence in Canada's investment outlook. Given WSP's global footprint, are you seeing a meaningful shift in Canada's relative attractiveness when it comes to allocating capital across your platform?

Alexandre L'Heureux^ Not really, Frederic. If you look back over the last decade, we have probably tripled the size of our Canadian business by headcount, by revenue and by EBITDA. Our home country has always been extremely attractive to WSP.

It's just that we've grown in the rest of the world so rapidly over the last decade that, as a percentage of our total business, Canada represents, I believe, 18% of our net revenue, and it's hard to move the needle given the growth we have experienced outside the country. But there's no doubt that Canada is one of the most attractive markets for WSP and will continue to be.

So we are obviously very focused on this market. And if and when we find more opportunities in the Canadian market, we're certainly going to be at the forefront, and we'll want to grow our business, no doubt about that.

Frederic Bastien^ Okay. Is it fair to say, too, that -- I've seen a lot of the global players not really focus on energy for so many years. There are probably a lot of players that are subscale in that particular sector.

Alexandre L'Heureux^ Well, GCM is an example of that. It's 600 people -- this is not de minimis. We're clearly growing our Power & Energy sector in Canada with this acquisition, as well as process engineering. And we are gaining access to a list of blue-chip clients that we didn't have access to in the oil and gas sector, the mining sector and other power-related sectors. So we're actually quite excited about this acquisition.

Frederic Bastien^ Okay. Sorry. And do your expectations to end the year with leverage below two times factor in that proposed acquisition?

Operator^ Our next question comes from the line of Devin Dodge from BMO Capital Markets.

Devin Dodge^ Alex, I wanted to start with a question for you. I think you mentioned that more clients are doing procurement under framework agreements. I don't believe this gets added to backlog. I'm just wondering if you can frame how much work you have secured under those types of agreements and how this compares to six or 12 months ago?

Alexandre L'Heureux^ I don't have the data in front of me. Maybe, Alain, you do. But in terms of soft backlog and frameworks, especially in the power sector, we have a big, big portion of our work that is not part of our hard backlog. I'll give you an example: the American Electric Power selection that I just talked about, and that we press-released this week, is through a framework agreement.

So very little has been added to our backlog, but we're going to have an enormous amount of work over the course of the next five years. We are not disclosing it because we're taking a prudent approach in the way we report backlog to our investors.

But you are right in saying that a big portion -- especially now that we have acquired POWER Engineers and TRC -- a big portion of their work is being procured through framework agreements, which is a bit different from transportation.

Devin Dodge^ Understood. Okay. And then just one quick follow-up. Has there been any progress on, or are there any plans to apply for, an NCIB?

Alain Michaud^ As I said in my remarks, Devin, the priority right now is to bring our leverage back into our target range, and this is what we intend to do for the rest of the year. And as usual, as we start 2027, we will review our capital allocation priorities with our Board, and this will be part of the discussion at that time.

Operator^ Our next question comes from the line of Maxim Sytchev from NBC Capital Markets.

Maxim Sytchev^ I just had one quick one. Obviously, power has been a very strong contributor year-to-date in terms of M&A growth. But when we look at some of the ballot [ph] measures in the U.S., I'm just wondering if you think that could potentially slow down the pace of activity. Or do you think that's more optics versus the potential reality? Just curious about your thoughts there.

Alexandre L'Heureux^ My thoughts are simple. As we reported when we acquired TRC and POWER Engineers, over the last 10 years, the CAGR of those two firms in their Power &

Energy sector has been north of 10%. So our thesis around our Power & Energy sector is not related to data centers.

And I would tell you, frankly, that only a small part of our work in transmission, modernization and substation design is related to data centers, Max. So we're feeling extremely good about our position in the market with those two acquisitions. And I'm confident that 2027, 2028 and 2029 will be great years for that sector as it relates to our work.

I think when we announced the POWER Engineers and TRC deals, I mentioned that most of the transmission lines in the U.S. have reached the end of their useful life. They're around 30 to 40 years old. So all of that will have to be replaced, irrespective of data centers. So I'm feeling very, very good about our position at this point.

Operator^ Our next question comes from the line of Michael Tupholme from TD Cowen.

Michael Tupholme^ The first question is just around the U.S. market and the conversion delays you mentioned there. I'm curious whether you can talk about how you're managing staffing levels in that market in the interim. It's clear that you see the U.S. demand outlook as positive, and you've continued to see good margin improvement in the Americas segment, both year-to-date and in the third quarter. But I'm just curious how you manage headcount and ensure high productivity during this period.

Alexandre L'Heureux^ Yes, Michael, the beauty of our model is that our cost structure is variable. Less than 10% -- I'd say maybe 7% to 8% -- of our costs are fixed, so we are able to be very nimble and agile. I'll give you an example: our T&I workforce is the same size as it was on January 1, because we've been very nimble in the way we've been managing our T&I sector, for the reasons I explained today. And that's why we're feeling good about the U.S. market.

We're looking at our backlog growth, and the work is there, and the proposal activity is there. Our win rate is actually increasing, which means, in our belief, that we are gaining market share.

But the notice to proceed on some large projects has been taking a bit longer than anticipated. That's why I said we believe the recovery will be gradual rather than linear. And let's see what the new Congress does after January 3.

But again, if I strip out the noise and take a long-term or medium-term view of the market, this is an incredible market. And we are very, very well positioned in all of our segments. So for me, looking back at our results for the quarter: great margin, good backlog growth. And I would add that for two consecutive quarters, we've had 5% organic growth. This is a testament to the diversification of the WSP platform.

Our largest market is experiencing some delays, and yet we are in a position to deliver mid-single-digit growth because our other markets are performing. So it's a testament to our diversified platform.

Michael Tupholme^ Okay. That's perfect. And then the second question is just turning to the EMEIA segment, where strong organic growth and backlog growth have continued. It seems like the U.K. continues to be the driver. I'm hoping you can talk a bit more about WSP's

greatest areas of strength in the U.K., and also the sustainability of that strength as you look out into next year and we think about the EMEIA segment's organic growth potential.

Alexandre L'Heureux^ Yes. I think we've had two or three consecutive years of almost double-digit organic growth in the U.K. So I'm not going to sit here and tell you that for the next few years, we're going to continue to grow at that pace.

But it's been an incredible market. And I can tell you with certainty that we have been growing much faster than our peer group in this market, because we have one of the best brands, if not the best. And we have a great workforce in the T&I sector and in the high-rise segment of our Property & Buildings sector.

In power, we're making great, great headway on the nuclear side in the U.K., and the same is true in water. In water, we were not a player six or seven years ago, and I would tell you that we're now growing at a very fast pace, given the AMP8 cycle and our position in the marketplace. So it's been a great story for us.

Operator^ Our next question comes from the line of Ian Gillies from Stifel.

Ian Gillies^ On the topic of EBITDA margins, the revenue mix has probably been a little different than we all would have thought this year. Would it be fair to say that EBITDA margins are trending even a bit better than we all would have thought, given that the U.S. is coming in a little later from a revenue perspective and it's the best-margin business you have?

Alexandre L'Heureux^ Look, our Canadian business is the best-margin business that we have, followed by the U.S., which is trailing not far behind. So North America has our best regional margin profile. And yes, the answer is absolutely yes. We've performed better than anticipated: we are going to be finishing the second year of a three-year plan, and we have already met our target.

So I feel that this is giving us flexibility to continue to invest in technology in the business, to continue to strengthen the platform and to hire the best talent out there -- rainmakers -- to continue to grow our business. It's a great place to be when, at the end of your second year, you have already met your objective for your three-year plan. So obviously, we're feeling good about what we've been able to achieve.

Ian Gillies^ Looking ahead, WSP has always been very good at identifying end markets before they necessarily become hot end markets, for lack of a better way to frame it. So when you think about the next few years and look at end markets you might not be in right now, or where you want a bigger presence, is there an area where you really want to be, whether it be defense or something else, where there might be a larger spending pie coming?

Alexandre L'Heureux^ If you recall, Ian, in the plan that we unveiled at the beginning of 2025, in February 2025, we had identified seven select high-growth areas for WSP. I can tell you that those seven high-growth areas are still very pertinent to this day. They haven't changed. Program and project management is an area that we would like to grow. Water is an area that we will continue to grow.

In defense, we are making great headway in Australia, the U.K., Central Europe and Canada, and we're going to put a lot of emphasis on it over the course of the next few years. Power &

Energy, I think, is unfinished business. We probably have the largest platform in the U.S. right now by a stretch, in my personal opinion. But it's unfinished business in the rest of the world. Last year, we made an acquisition in Spain, but there are so many other markets where we would like to increase our presence.

I could go on and on like this, but there are six or seven sectors that I believe we will grow, and will want to grow, in the next few years. That will have to take place through organic growth, but also through inorganic growth. And that's why I still believe in our investment thesis.

And I haven't changed my mind, irrespective of what we have seen on valuations in the industry. You know that I take a long-term view of things, and I think that's what made us successful in the past and what will make us successful in the future. So I do think that there's a lot of runway for this platform, and I'm very excited about the future.

Operator^ Our next question comes from the line of Chris Murray from ATB Cormark Capital Markets.

Chris Murray^ Just a couple of quick ones. First, I don't think we talked about the leadership change in the U.S. Can you talk a little bit about that transition and how you're thinking about positioning the leadership team for the next little while, as it seems like government-related work may become more important? I'm just thinking about the different puts and takes in that business over the coming years.

Alexandre L'Heureux^ Look, with Joe Sczurko, this was a planned retirement. When we acquired the Wood E&I business in 2022, there was an agreement between Joe and me that Joe would give us four to five years. Joe has done incredible work for our organization and has been an active contributor to building our U.S. business in recent years. So I want to thank him for his service. Joe has elected to retire.

This was in the works, and we intend to finalize his replacement very soon. I'm not in a position to talk about it now, but we intend to make an announcement in the not-so-distant future. For us, it's business as usual. Our Chief Operating Officer is acting as Interim CEO right now, and we have a very, very strong leadership team in our U.S. business. So for us, it's business as usual, and we'll make an announcement when ready.

Chris Murray^ All right. Fair enough. And then just one housekeeping question, Alain, for you. Just on working capital and, I guess, getting back to that sub-2 number, a couple of things.

First, is there anything unusual we should be thinking about in the quarter in terms of working capital pickups, other than the normal seasonality that really boosts that number? And along those lines, on some of the larger acquisitions, now that you've had time to season them, is there anything in their DSO numbers where you feel there's more opportunity to bring them down? Any color on that would be appreciated.

Alain Michaud^ All right. There's nothing special in Q4 in terms of working capital adjustments. It's going to be the normal pattern -- it's always our best quarter in terms of free cash flow generation, and we expect this year to be the same. As for the acquisitions' DSO, we don't disclose that.

But broadly, I would say there's still opportunity -- there's always opportunity, I guess, Chris. That would be my message: we will keep on refining and optimizing our working capital management.

Operator^ There are no further questions at this time. I'll now hand the call back to the speakers for any closing remarks.

Alexandre L'Heureux^ Well, thank you very much for attending the call, and thank you for the very good questions. We look forward to updating you in Q4. On that note, I would like to wish you a great day.

Operator^ This concludes today's conference call. Thank you all for participating. You may now disconnect your lines. Thank you.