



**AtkinsRéalis(Q3 2025)**

**November 13, 2025**

**Corporate Speakers:**

- Ian Edwards; AtkinsRéalis; Chief Executive Officer
- Jeff Bell; AtkinsRéalis; Chief Financial Officer
- Denis Jasmin; AtkinsRéalis; Vice-President, Investor Relations

**Participants:**

- Chris Murray; ATB Capital Markets; Analyst
- Krista Friesen; CIBC; Analyst
- Yuri Lynk; Canaccord Genuity; Analyst
- Sabahat Khan; RBC Capital Markets; Analyst
- Benoit Poirier; Desjardins; Analyst
- Michael Tupholme; TD Cowen; Analyst
- Jonathan Goldman; Scotiabank; Analyst
- Devin Dodge; BMO Capital Markets; Analyst

**PRESENTATION**

**Operator**^ Good day. And thank you for standing by. Welcome to the AtkinsRéalis Third Quarter 2025 Conference Call. (Operator Instructions). Please be advised today's conference is being recorded.

I would now like to turn the conference over to your speaker today, Denis Jasmin.

Please go ahead.

**Denis Jasmin**^ Thank you, Kevin. Bonjour tout le monde, good morning, everyone. And thank you for joining us today.

For those dialing in, we invite you to view the slide presentation that we have posted in the Investors section of our website, which we will refer to during this call. Today's call is also webcast.

With me today are Ian Edwards, Chief Executive Officer; and Jeff Bell Chief Financial Officer.

Before we begin, I would like to ask everyone to limit themselves to one or two questions to ensure that all analysts have an opportunity to participate. You are welcome to return to the queue for any follow-up questions.

I would like to drive your attention to Slide 2. Comments made on today's call may contain forward-looking information. This information by its nature is subject to assumptions, risks and uncertainties. And as such, actual results may differ materially from the views expressed today.

For further information on these assumptions, risks and uncertainties, and please consult the company's relevant filings on SEDAR +. These documents are also available on our website.

Also during the call we may refer to certain non-IFRS financial measures. Reconciliation of these amounts to be to the corresponding IFRS financial results are reflected in our earnings release and MD&A, which can be found on SEDAR + and our website.

And now I'll pass the call over to Ian Edwards. Ian?

**Ian Edwards**^ Thank you, Denis. Good morning, everyone. And thank you for joining us today.

I'm going to begin today's call by providing an overview of our company performance in the third quarter including our record backlog and margin, as well as performance highlights across the Engineering Services Regions and Nuclear businesses.

I'll then pass it back to Jeff to provide more detail on our financial results and our updated 2025 outlook before we open up for questions.

So let's get started on Slide 3.

Our third quarter performance highlights our ability to both grow and operate more efficiently across the business.

We delivered another strong quarter of services revenue growth, up 17% year-over-year, or 11% on an organic basis. Engineering Services Regions revenue reached a record high of \$1.9 billion, while Nuclear revenue organically grew 60% to a quarterly record high of \$596 million. Linxon continues to perform well and organically grew 15%.

We also had a strong increase in Adjusted EBITDA from PS&PM of 21% and a record high Adjusted EBITDA from PSM margin of 10%, highlighting the work that we have done across the business to improve margins.

Our total backlog reached a new record high this quarter as our expertise across Engineering Services and Nuclear continues to be in demand. AtkinsRéalis Services backlog recorded a 24% growth versus the backlog as of September 30, 2024.

The continued revenue growth and increasing backlog in our Nuclear business has led us to increase our Nuclear revenue outlook to \$2.2 billion to \$2.3 billion for 2025.

On the other hand, due to lower year-to-date revenue growth in our USLA and AMEA regions, we've decreased our 2025 organic revenue growth outlook in our Engineering Services Regions business to a low single-digit year-over-year percentage increase.

We expect the full year impact of these changes on profitability to be neutral. Jeff will provide more details of this later.

Subsequent to quarter close, we announced the acquisition of C2AE, which advances our Land and Expand strategy in the U.S. and is in line with our stated capital allocation priorities. Our pipeline of potential bolt-on acquisitions remains robust, and we would expect to announce further acquisitions in the coming quarters.

We're extremely proud of our accomplishments this quarter – generating record revenues, backlog and margins while utilizing strong operating cash flows to invest in M&A opportunities to expand our footprint in geographical white spaces. Our Delivering Excellence, Driving Growth strategy is creating value for shareholders.

Turning to Slide 4. Revenue in our Engineering Services Regions business increased 8% year-over-year, but if we exclude David Evans revenues and positive FX impacts, organic revenue was basically flat.

Segment Adjusted EBITDA over net revenue margin was 17% for third quarter, up 30 basis points versus the prior year period, as operating margin improvement initiatives are bearing fruit, specifically through optimized cost enhanced bidding discipline, artificial intelligence and continued leveraging of digital tools for more efficient project delivery.

Notably, we continue to increase our backlog, which now stands at a new record high of \$13 billion, representing an 8% increase versus our backlog as at September 30, 2024.

Beginning on Slide 5, we provide an overview of each of our four regions and their performance this quarter.

In Canada, revenue organically grew 1% and while Segment Adjusted EBITDA grew \$36 million with a 17% margin, 180 basis points increase, highlighting our continued efforts on our margin improvement plan. Backlog grew 5% year-over-year and now stands at \$7.8 billion.

Given market dynamics, we are focusing on growing our presence in the Buildings & Places, Transportation, Industrials, Power & Renewables and Defence end markets as we believe these areas offer good opportunities in the near future. We saw growth this quarter in Transportation and Power & Renewables while softness in the Industrials end market remain.

Separately, recent NATO commitments by the Canadian government are likely to yield further opportunities for our Defence expertise.

And looking at the opportunities that will come from the Building Canada Act are set to have a positive impact on AtkinsRéalis. The government's focus on accelerating domestic funding for large-scale projects is exciting and due to our well-established foothold in the market and our historical success across the entire infrastructure life cycle, we remain bullish about the near-term opportunities that may present themselves from this bill.

In U.K. and Ireland, revenue grew 10% and organically grew 5% year-over-year, primarily driven by strong demand in Aviation, Water and Defence.

Segment Adjusted EBITDA grew \$102 million in the quarter, representing an 18.6% EBITDA margin as the business continues to improve the efficiency of project delivery. Our concentration and flexibility in the region enable us to consistently position our people in areas with the highest demand which helps underpin strong operating margin delivery.

Backlog grew 15% year-on-year to approximately \$1.9 billion, driven mainly by wins in the Defence and Transportation markets. Our expertise in Water is creating significant opportunities with the AMP8 investment program, as evidenced by a recent win with the Anglian Water Services, representing a more than \$1.5 billion opportunity over the next 15 years.

As mentioned on prior calls, there have been several commitments by the U.K. government to increase funding for Defence and Infrastructure spending over the next decade. Demand in Power & Renewables is rising with early-stage activity in grid investments, while the established long-term U.K. industrial investment strategy will yield enhanced opportunities in the Industrials end market.

We have a strong and growing presence in U.K. and Ireland, and we are focusing our efforts on enhancing our capabilities across the Transportation, Defence, Buildings & Places, Water, Power & Renewables and Industrial end markets as they present the most opportunity over the next several years.

Turning to Slide 7. Our U.S. Land and Expand strategy continues to make strides, and we recently announced the acquisition of C2AE, which strengthens our presence in the Upper Midwest and expands capabilities in key growth end markets such as Water.

During the third quarter, revenue increased 26%. However, excluding David Evans acquisition and favorable FX impacts organic revenue was flat year-over-year as softness within our global minerals and metals sector weighed on the results. If we exclude our Global Minerals & Metals business, our underlying Engineering Services business in the U.S. organically grew about 4%.

We experienced slower framework agreement conversion projects and procurement disruptions, which were primary growth detractors in the quarter. But that being said, we believe these headwinds are temporary, and we remain confident in the near-term and long-term growth opportunities in the U.S. for our services.

Segment Adjusted EBITDA was \$66 million, which translate to a 15.8% operating margin, an improvement of 30 basis points on the previous year. Margin improvement was driven by sustained project execution and overhead control.

The backlog increased 11% year-over-year to nearly \$1.8 billion as we continue to prioritize client engagement and leverage our unique end-to-end capabilities. We continue to build our backlog in the U.S., particularly with the Departments of Transportation.

We have continued to deepen our collaboration with the David Evans team to win incremental new work, which the pipeline of opportunities continues to increase. Financially and operationally, the business is performing in line or ahead of our expectations.

While we are not directly affected by the recent U.S. government shutdown federal funding to states has slowed, impacting some of our client at state level. As a result, we're experiencing some delays in receiving contract awards and commencing projects. In the meantime, our pipeline is growing, and we are actively investing organically and inorganically to expand our position in the marketplace.

And regardless of the macro dynamics, our conviction in the long-term growth of our USLA business and end markets remain strong. We are strategically positioning ourselves to win new business in the Transportation, Buildings & Places, Industrials, Minerals & Metals and Water end markets given the near opportunities we see.

In AMEA, revenue declined 9%, while Segment Adjusted EBITDA declined to \$34 million representing a 16% EBITDA margin over net revenue. Revenue declined primarily due to lower volumes on large-scale building and places projects in the Middle East, where our involvement has reduced compared to this time last year.

The total backlog in AMEA was approximately \$1.5 billion, up 15% versus the third quarter of 2024, mainly driven by new bookings in the Buildings & Places, and Industrials end market.

In the Middle East, while opportunities still present themselves in Buildings & Places, we're seeing increased demand for our services in large-scale Transportation projects. Such is our focus, on Transportation projects, in the near term. But we will continue to closely monitor substantial Building opportunities, such as preparing for the 2034 World Cup in Saudi Arabia.

In Asia, we're seeing sustained investments in Infrastructure and Transportation mainly fueled by Hong Kong's Northern Metropolis.

In Australia, we are focused on expanding our presence through opportunities that leverage our global expertise in Transportation, Power and Defence.

I'd like to now move to Slide 9 and discuss our third quarter results for our Nuclear business. The business continues to demonstrate exceptional growth, achieving organic revenue increase of 60% compared to the third quarter of 2024.

Our Nuclear backlog totaled \$5.4 billion, 68% higher than our backlog as at September 30, 2024.

Segment Adjusted EBIT grew 44% to \$66 million, and Segment Adjusted EBIT margin was approximately 11%. Segment Adjusted EBITDA grew 40% year-over-year and the margin now stands at 26%, almost 300 basis points higher than this time last year.

On Slide 10, we highlight the achievements across our Nuclear CANDU and Services portfolios.

In our CANDU business, we have several projects ramping up that give us excitement about the near-term revenues. We renewed a 10-year master service agreement with Bruce Power. We are continuing to work on C3, C4 at Cernavoda in Romania, and we're making excellent progress on the Pickering life extension.

Our optimism and the continued advancement of CANDU projects, is further underpinned by the recent issuance of more than \$2 billion in purchase orders by AtkinsRéalis to over 548 companies in the CANDU supply chain during the last 18 months, with 90% of these orders to Canadian suppliers. CANDU is a world-class homegrown Nuclear technology, fueling high-paying jobs and economic growth for Canadian workers and businesses.

We are in ongoing discussions with several countries across the globe regarding potential new builds. While they are taking place, we remain focused on the development of the CANDU Monark.

For Services, we continue to offer new build support at Hinkley Point C and Sizewell C.

Also in the U.K., we're driving growth in the region through our decommissioning waste management services at Sellafield, for which we've just recently renewed our framework agreement.

Lastly, we extended our global strategic partnership with robotic developer, Kinova for three years. Our collaboration is showcasing cutting-edge robotic innovation to perform high-performance remote operations at Nuclear facilities. This technology will enable

cost-effective operations at reactors and more importantly, enhance the safety of this work.

2025 has been an exceptional year from our Nuclear business. The revised revenue guidance for the year I mentioned earlier exceeds our original estimate at the beginning of the year by more than 30%, further highlighting the opportunities in front of us to generate real revenue today across the Nuclear sector.

Turning to Slide 11. You can see our pictorial remainder of these near-term CANDU revenue opportunities within our Nuclear business. The potential CANDU contracts you see on this slide showcase a massive opportunity for AtkinsRéalis and could deliver significant growth for the foreseeable future.

Our \$5.4 billion Nuclear backlog achievement is just the start as customers are continuing to recognize our Nuclear expertise. We've been working hard to bolster our backlog with high-quality wins. Total backlog does not include follow-on phases for our recent wins and a very small amount of CANDU new builds.

We cannot overstate the massive opportunity in front of AtkinsRéalis in the Nuclear sector.

Now we're moving to Slide 12 and our Linxon, LSTK Projects and Capital businesses.

In our Linxon segment, revenue organically grew 15% year-over-year. Linxon realized 230 basis points of EBIT margin expansion year-over-year as operational improvements continue to positively flow through the business.

Backlog increased 50% to a record \$2.4 billion at the end of the quarter. We are seeing backlog improvement across the Americas, Europe and Middle East.

On LSTK Projects, Segment Adjusted EBIT was in line with expectations.

And with that, I'll now turn it over to Jeff to discuss our financial results and our 2025 outlook.

**Jeff Bell**^ Thank you, Ian. And good morning, everyone.

Turning to Slide 14. Total IFRS revenues increased 15% year-over-year, totaling \$2.8 billion, which included revenue increases of 8% in Engineering Services, 62% in Nuclear and 19% in Linxon.

Total Segment Adjusted EBIT for the quarter increased 9% to \$269 million, as the decrease in Capital Segment Adjusted EBIT was more than offset by a \$41 million increase in AtkinsRéalis Services.

Corporate SG&A expenses from PS&PM totaled \$26 million in the quarter, in line with the previous year.

We continue to anticipate these expenses should be between \$120 million and \$130 million for the full year 2025. Note that following the sale of our interest in the Highway 407 ETR, Corporate SG&A expenses from Capital decreased to \$1.5 million this quarter and are expected to remain at this level.

Net financial expenses for the quarter were \$22 million compared to \$41 million in Q3 2024, mainly due to the repayment of all outstanding borrowings under the La Caisse loan and the company's term loan in the second quarter. We believe Q4 will be a similar amount.

The income tax expense was lower than Q3 2024, mainly due to revised estimates on certain tax liabilities and geographic mix. The tax rate for Adjusted PS&PM net income was approximately 16% in the quarter and 17% year-to-date. And therefore, we now expect the tax rate for the full year 2025 on our Adjusted PS&PM net income to be approximately 20%.

The IFRS diluted EPS this quarter increased by 49% to \$0.88 compared to \$0.59 in Q3 2024, while the Adjusted EPS from PS&PM increased 68% to \$1.06 per diluted share, compared to \$0.63 in the third quarter last year.

And as Ian mentioned, our backlog ended the quarter at a record high of \$21 billion, 23% higher than at the end of September 2024, with strong increases across all our businesses, Engineering Services, Nuclear and Linxon.

Let's now move on to Slide 15 and free cash flow.

Net cash generated from operating activities totaled \$123 million for the quarter. This is mainly driven by a stronger AtkinsRéalis Services EBITDA delivery, partially offset by the timing of working capital usage and in LSTK Projects cash usage.

We continue to expect operating cash flow to be in excess of \$300 million for the full year 2025.

After CapEx of \$45 million, which included \$15 million for the development of Monark, and the payment of lease liabilities of \$22 million, our free cash flow stood at \$56 million for the quarter.

I'd like to now turn to my final slide, Slide 16.

As you have heard Ian say on Nuclear, the demand for our services continues to grow, and our backlog is at a new record high. Therefore, we are again increasing our Nuclear revenue outlook to between \$2.2 billion and \$2.3 billion for the full year 2025, from the previous range of \$2 billion and \$2.1 billion that we outlined last quarter.



On the other hand, we are decreasing the Engineering Services regions 2025 organic revenue growth outlook over 2024 and to a low single-digit percentage from the previous range of mid-single-digit percentage, reflecting lower-than-expected revenue growth in the USLA and AMEA segments. Note that we continue to expect David Evans revenues, which is excluded from this organic revenue growth to be around \$300 million for 2025.

We remain confident in our medium-term target of 8% plus revenue growth for Engineering Services, as outlined in our Delivering Excellence Driving Growth strategy, and see the lower growth rate in 2025 as temporary in nature.

All other financial outlook metrics for full year 2025 are maintained. And with that, I'll now hand the presentation back to Ian.

**Ian Edwards**^ Yes. Thank you, Jeff.

We're extremely proud of our success in the third quarter, achieving several record results on the top line and on the margin front across our Engineering Services and Nuclear businesses. The combination of these two businesses provides us with a unique competitive mix.

Also the improvement on margin stems from the operational plan we put in place at our June 2025 Investor Day and we are seeing real, tangible results.

No matter the geopolitical tension that may exist or arise in the future, global energy transition and infrastructure redevelopment are fueling growth in our markets, where we have built a strong foundation or are landing and expanding.

Our balance sheet and appetite for growth puts us in a distinct position to capitalize on M&A opportunities that may arise in this current macroeconomic landscape.

Our team is working tirelessly to continue executing on Delivering Excellence and Driving Growth strategy. And I want to thank our 40,000 employees for their hard work and dedication.

We are proud of our performance to date in 2025 and are actively positioning the company to capture real revenue across our Engineering Services business in '26 and beyond.

So with that, let's open it up for questions.

## QUESTIONS AND ANSWERS

**Operator**^ (Operator Instructions). Our first question comes from Chris Murray with ATB Capital Markets.

**Chris Murray**^ Maybe starting with the organic growth profile. So a couple of questions around this. One, you talked about it slowing a little bit in Q3, and just wondering a couple of things. So one, as we go into Q4, you called it a couple of different spaces, but just kind of curious to see or are you seeing in Q4 an extension of the same trends, or is it something different? Just wondering maybe if there's anything around the U.S. government shutdown that's maybe slowing things and leading to your view.

And then more importantly, I think you described this as sort of a temporary slowdown. Can you maybe give us some more color on why you have the confidence that as we enter 2026 that you think it should maybe revert back to what we've talked about, kind of those historic mid-single-digit levels for the Engineering Services business.

**Ian Edwards**^ Yes, for sure. And this is presumably the questions related to Engineering Services, right?

**Chris Murray**^ It does, yes.

**Jeff Bell**^ Yes.

**Ian Edwards**^ So look, I mean obviously through the Canada journey of 2025, we've had some challenges to overcome, but they are specific challenges. They're not underlying issues that are going to take us into the future. And those specific reasons, as we've said in previous quarters, we've had some pretty hard year-over-year comps because of really three large projects in our Canada region, in our Middle East region, and in our Mining & Metals, but we've worked our way through that. So those are behind us now.

And then there's clearly been some kind of disruption to the U.S. market, which I'll come back with.

So the quarter we've actually seen a continuation in Q3 of disruptions in the U.S. And as we think about those disruptions going forward, which have really been about States sitting on project releases, and sitting on project awards, it's the volatility connected to tariffs, the shutdown, the Big Beautiful Bill.

But what we're seeing now, is that actually being overcome.

And we're seeing definitely in Q4 a return to wins or return to orders coming through. And you've got to remember that the fundamentals in the U.S. that drive our markets in energy, and in replacement of infrastructure, resilience work, are all really good.

And also, you've got to remember the IIJA it's only actually about 40% expended so far. And that bill has still got support.

So that specifically in the USLA region.

And in AMEA, we've actually kind of started reprioritizing the way we look at AMEA, because we were heavily dependent on some very big jobs in KSA, in Saudi Arabia, and one of those jobs – we've closed out Phase 1. And we're seeing a lot more diversified opportunity, both in the UAE and both in Transportation.

So we're pretty confident going forward in that region as well.

So looking at our backlog and particularly looking at the backlog, I won't canter through each region because I'm sure there'll be another kind of question on that, but if you look at our backlog, it's 8% up – that's a leading indicator for me.

And as we look at performance in Q4, we're getting back to growth. And obviously our revised guidance isn't 0, but we will end with positive growth and that will take quite a bounce back in Q4 to get there, which we're confident we're going to do.

And then moving into '26, obviously we're looking at development of the pipeline and our preparation for the Q4 outlook already. And we're seeing pretty good growth, and we're fairly confident going forward that we're going to return to some good growth numbers.

So it's a few specific challenges this year, but very confident going forward that we're going to return to growth in ES.

**Chris Murray**^ All right. That's helpful. And then maybe turning to Nuclear, a couple of pieces of this question.

So first of all, I wonder if you can maybe add your take. There's been a lot of discussion around Nuclear services, more broadly, particularly in the U.S. from some of the SMRs, but you've also got, I think, lots of opportunity even with the CANDU technology and the other things that you've been able to work on.

Can you maybe walk through, maybe high level, your thoughts around the Nuclear industry and penetration of Nuclear, and how you think Atkins maybe fits into this whole ecosystem from the perspective of either supporting some of these newer proponents with smaller technologies or having the Monark able to address different segments of the market. So just thoughts about like how we should think about where Atkins can go in the Nuclear business over and above where it is today would be helpful.

So I'll leave it there.

**Ian Edwards**^ All right. This is probably going to be a fairly long answer, but that's fine. It's a good start.

Look, I mean, we're in a super cycle. The two world conferences were in Q3 in Nuclear, one in London that's called a symposium and one in Paris called the exhibition.

And what's really clear to me having attended and spoken at those conferences, is AtkinsRéalis, and the CANDU technology, operates on the world stage as a leader. And I think that's the first thing I would say.

And when we look at our business, as I've said before, we're not just a Nuclear OEM of CANDU, we are a full service Nuclear business in addition to being an OEM in CANDU. And this puts us at a very differentiated place in the Nuclear market.

And I'll call out a couple of our differentiators because these are really important. And I'm not sure that they're fully understored by everybody.

The first thing is that capacity for Nuclear companies is going to be everything. There's clearly a strong demand. All countries that signed up to the tripling are looking for new Nuclear. Hyperscalers are looking for Nuclear. It's very, very real.

We have got 40,000 professional people in our company, 6,000 to 7,000 of those are Nuclear professionals because we've built capacity through the life extension program here in Canada. That's not unique, because the French and the Chinese clearly have a big Nuclear program, too, but it puts us up there at the top with capacity.

We have a supply chain in Canada. It's got 90,000 people in it doing manufacturing and, actually, professional skilled labor in the Nuclear industry.

But again, it's not unique, but it's up there with some of the best countries in the world that can deploy Nuclear technology.

We have a world-class technology in CANDU. And it's differentiated because it uses natural uranium, which gives countries energy security, because there's an abundance of natural uranium, there is not an abundance of processed uranium. In fact, there's a shortage.

And we can produce medical isotopes, which countries and customers are very interested in.

And Canada has a unique advantage in the way that it operates with countries around the world, because where we've built CANDU in India, Korea, China, Romania, Argentina, we've left behind decades of relationships between Canada and those countries, and decades of relationships between AtkinsRéalis and the utilities, which is well renowned and it's recognized by new countries that are coming into the technology.

So I guess the last point, I would say, and just to remind everybody, on Slide 11, this growth that we're experiencing right now there is no new build in it. And we're all over the map now trying to sell the CANDU technology. And we're getting very good traction. Clearly, there's nothing to announce. But in the coming years, there will be.

In our Services business, it's a full services business that supports SMRs, in U.K., in U.S. and here in Canada.

We have a business in Services which supports EDF at Hinkley and Sizewell, with hundreds and hundreds of engineers deployed on those jobs.

We do processing of waste and we're even in fusion.

So all in all, what I'm trying to explain here is that we've got a really differentiated business here.

And I'm glad you asked the question at the beginning. I know that was a long answer, but that is what is the reality of where we're at.

**Operator**^ Our next question comes from Krista Friesen with CIBC.

**Krista Friesen**^ Maybe just going back to the first question and looking at AMEA.

Can you provide a little bit more color just on the margins in that segment? How you're expecting those to trend over the next year and maybe what you've put in place to kind of help those margins?

**Ian Edwards**^ Yes. So let me do the market and how we're repositioning the business and let Jeff comment on the margin front and how we see that in our margin expansion program.

I mean basically, our AMEA business historically has been heavily focused on Saudi Arabia. Now Saudi Arabia itself has done some reprioritization of spend and of projects they're going to focus on. They want to focus on Riyadh. They're focusing on the World Cup, '34, and Expo of '30.

So it's not that the place has come flat from a market potential, it's actually just reprioritized, and we're really well positioned.

But we have finished out a huge project that has given us the kind of decline in that KSA business this year.

Now, the UAE is also really interesting because they are actually seeing themselves compete with Saudi Arabia, and they're putting investment back into the UAE, both in Buildings & Places, but interestingly, in Transportation. And we're bidding numerous kind of rail jobs there right now. And obviously we've got that global capability. So, it's easy for us to be agile and kind of exploring those opportunities as the market kind of pivots and the opportunities change.

But as far as the AMEA region is concerned and its growth plan in the future, we're really opening up Australia and the Asia region. And Australia is really important to us in terms

of our Energy capability and our Defence capability, where a lot of the funds are going now from the government, where historically, it was all about Transportation. So we feel we've got a really good opportunity there.

And then in Asia – Hong Kong, we've always had a good business. They are developing a new city on the border with China called the Northern Metropolis, and we're winning work there now.

So we're pretty optimistic about the region of AMEA. But obviously we've had a bit of a reprioritization and challenges to work through this year. So we're pretty confident going forward.

And Jeff, maybe you could just talk to the kind of margin expansion right now.

**Jeff Bell**^ Yes. So I think what we'll see, and as Ian has said, we're transitioning the business, particularly in the Middle East. There have been some very large, very profitable projects there, and as we head into next year, we'll have to see the business transition away from those. So we may see a bit of headwind margin-wise in the Middle East.

But as Ian said, as we grow other parts of the AMEA region, in Australia and Asia, those are good margin geographies. And as they start to take a larger proportion of that region, that will help underpin margin delivery in AMEA there.

So over the longer term, we don't see any reason why AMEA wouldn't be part of our 17% to 18% target in the long term.

**Krista Friesen**^ Okay. Thank you. That's great color. And then maybe just one last one for me, maybe a higher level one on Nuclear.

Obviously you've increased your guidance significantly throughout the year, I think, roughly 36% from what you started with. Has the mix evolved as you have expected it to evolve for your Nuclear business and does it change how you think about the margins at all over the medium term?

**Ian Edwards**^ Yes. That's a very good question. I think as the year has evolved, what we've been awarded in terms of life extension and services businesses is not different from what we expected. But it has come sooner. And even the progress on the Pickering life extension, we're getting better progress than we thought. And also at the beginning of these life extension projects, or any kind of Nuclear power project, there's a lot of procurement you've got to put in place for long lead items where the margins on that work are not as good as the actual engineering and execution work that we do ourselves.

So I think that's probably where we've evolve through the year, and you're seeing that in our results. But that's good news. Things are happening quicker than we thought they would happen.

**Operator**^ Our next question comes from Yuri Lynk with Canaccord Genuity.

**Yuri Lynk**^ Maybe one for Jeff. It looks like to get to the midpoint of your Engineering Services Regions EBITDA margin guidance for the year, 16%-17%, it's going to require 80-ish basis point step-up in margin in the fourth quarter, which is not the typical seasonal pattern that we've seen in the past. So just wondering if there's anything unique in play in the fourth quarter that would drive the margin sequentially higher?

**Jeff Bell**^ Yes. Thanks. As you say, I'll take that, Yuri.

So we do typically see stronger margins in the second half of the year than the first half of the year. You saw that in Q3 and we remain very confident in delivering that 16% to 17% for the full year.

And as you say, that does mean strong fourth quarter operating margins. But with all the work we've done on our initiatives through the year and that you've seen coming through in Q3, we see an absolute continuation of that in the fourth quarter. And that's everything from continued better and more sophisticated pricing with our clients, it's better productivity and utilization, it's higher utilization of our global technology center in India and the continued work on our overhead cost base.

So the work that we've delivered through the year and in the third quarter, we see that absolutely continuing in the fourth quarter and remain very confident in delivering that uplift in Q4.

**Yuri Lynk**^ Second one is just on the U.S. region within Engineering Services USLA.

Can you talk a little bit about, when you've done your portfolio reviews including Linxon and Capital and stuff like that, why the mining business, Mining & Minerals business, never, didn't come up in those.

I'm sure they did, but you decided to keep it. And I guess, why keep that business? Is it scaled properly to compete with the bigger mining-focused engineering houses and is having it in the U.S. segment appropriate, I guess?

**Ian Edwards**^ Yes, all our businesses, we review regularly.

We review the whole mix of portfolio to make sure that the long-term strategy of the company has got the right portfolio businesses going forward. And then absolutely, the Minerals & Metals business, we've reviewed a couple of times, and we will continue to do that to make sure that it can get to the profitability and the growth that makes it meaningful and at scale.

It was a business that we had to repurpose from an EPC business a long time ago into a pure-play services business and that's taking time, frankly.

But I think we're getting some good traction now. And I think we're getting some better profitability. We are winning some work, in actual fact. We've been picking work up recently in the sector.

Whether it belongs in USLA, it's just a question of putting it with one of the presidents.

And it is a global business because the business has to be client focused. There are a handful of large mining operators around the world, so you can't really regionalize the business. It's got to be a global business that follows clients basically.

So we're happy with it right now. It's in the business right now. We do see this need around the world for critical minerals. We don't really do coal. We do the specialized critical mineral kind of mining projects, supporting customers, and we're happy with it where it is right now.

**Operator**<sup>^</sup> Our next question comes from Sabahat Khan with RBC Capital Markets.

**Sabahat Khan**<sup>^</sup> Great. Just I guess, looking ahead to '26 a little bit, just on the broader setup, you obviously indicated that the IIJA a good chunk of it hasn't been spent and/or even allocated.

Can you just talk about the outlook for the rest of that larger infrastructure bill to be rolled out and sort of your early thoughts on that region on a potential new infrastructure bill at some point? Just trying to gauge the demand drivers for the U.S. market for next year.

**Ian Edwards**<sup>^</sup> Yes. So look, there's a couple of things that are specific to ourselves, which I've probably said at the beginning.

Our business has got 6,500 people in it. Some of our peers have got over 20,000 people in their businesses. So the way I think about our strategy in the U.S. is that we've got a long way to go and a long runway to go.

Our ambition in the near term, one to two years, is to get the business in the top 10, which would require us to have 10,000 people or more. And obviously beyond that, in the longer term, we want to be in the top 5, we want to be a serious player in the U.S.

The fundamentals of the U.S. market are really, really strong. The need for energy security, they've got an aging infrastructure problem in the U.S. with actually a \$3.7 trillion gap in infrastructure investment, which ultimately will play through to a deterioration of roads, water, rail infrastructure, which they will have to spend on to bring it back to operable state. Resilience work in the U.S. for flooding, flood defence and hurricanes, unfortunately, present an opportunity, but obviously at the expense of disasters, which is not great, but it's an opportunity for us.



So the IIJA is 40% allocated in spend. That will continue to fund States for ourselves.

I don't think the One Big Beautiful Bill will have specific impact on us. I think it will have an impact on industrials perhaps and maybe the energy sector, which will have less impact for us, I think.

But we're really confident in our strategy, and we will continue to invest in M&A, and we'll continue to Land and Expand across the States.

As I said before, the issues, we really do see them as temporary. And we are actually seeing an increase of flow through now, particularly as we're getting into the fourth quarter, and we're picking up work.

So all in all, it's probably been a bit of a disruptive time this last year, but I think we're going to get back to some good growth opportunities.

**Sabahat Khan**^ Great. And then just on the sort of the last comment around M&A. Just given where the balance sheet is, you're active on the buyback this year, how do you think about potentially reactivating that buyback, just given the number of M&A opportunities out there? Just how are you going to balance the two at this point in the cycle?

**Jeff Bell**^ Yes. It's Jeff. Why don't I take that? I think as we've said earlier and to what you've referenced, we have taken advantage of that share buyback significantly over the course of the year. And as we have said in the last quarter, our focus really from a capital allocation perspective, is around growing and investing in the business, primarily through M&A and inorganic activity. And as Ian has said, we see real opportunity to continue to Land and Expand in the U.S. We see opportunity in other geographies or areas of capability where we have white space.

And the pipeline of opportunities is really strong. We're seeing lots of good potential organizations that we're in discussions with, we're in processes with. And therefore, we're very confident in our ability to continue to deploy capital in a value-creating way and a strongly value-creating way like that going forward. So that will continue to be our area of focus.

**Operator**^ Our next question comes from Benoit Poirier with Desjardins.

**Benoit Poirier**^ Yes. Just on the Nuclear, it seems like your main Canadian Nuclear reactor competitor has signed an MOU agreement with, for a potential large-scale Alberta Nuclear Project you were previously involved in – so can you give us an update on the current competitive dynamics in the Canadian Nuclear market?

**Ian Edwards**^ I actually thought that announcement that came out [inaudible] American.

So I understand exactly what you mean. You're talking about our competitor's announcement to partner with the U.S. government to deploy reactors in the U.S. And I think this is a good thing.

I mean I think it just shows the momentum in the Nuclear industry.

I mean clearly, the U.S. government is highly committed to new Nuclear. There are executive orders that are signed. And I think that partnership is a really smart partnership for the deployment of new Nuclear in the U.S.

And as I've said in the past, capacity is everything and initiatives like that to enable capacity to be built and meet the demands of the new Nuclear market is very good.

But for ourselves, we are Canadian. Our business is Canadian supply chain, Canadian jobs. And the technology is Canadian. It's actually owned by the Canadian government, but we have the sole rights to deploy it. And all the reactors in Canada right now are Canadian and CANDU.

So the way that I would see this is, from a competitive perspective in Canada is, I would hope that utilities and our provinces here in Canada, choose a technology, which is Canadian, which will supply jobs to Canadians because no other technology will do that. The jobs will go down south with the company that you're referring to for manufacturing and for engineering.

So from a competitive edge, we kind of hope that sensible provider, and we'll support our own technology here in Canada. Do I answer the heart of the question?

**Benoit Poirier**^ Yes. Okay. That's great color, Jeff. And obviously you have an ongoing discussion with several countries on new builds with CANDU, there is a big potential, obviously.

I'm just wondering if the -- is it dependent on your ability to secure first the Monark in Canada? Or any color about the potential timing for new builds, what we should expect in terms of timing for announcing new builds?

**Ian Edwards**^ Yes. So outside of Canada. I mean obviously we're working hard in Canada. We are in competition. I mean that's a fact. But we're working hard in Canada for deployment of the Monark.

Outside of Canada, we're seeing numerous opportunities in Eastern Europe and potentially Asia. Actually, the technology that is wanted is actually our EC6 existing technology, which is a 700-megawatt reactor. And the grids in the countries that we're discussing are more suited to a smaller reactor, which is a different situation than it is in Canada. And the other advantage of the EC6 is deployable now. It's existing technology. It's the technology that we're delivering in Romania for the two new builds in Romania.

So I mean there's nothing to announce today. We're working very hard.

We've got very detailed technical and commercial meetings ongoing with several countries. The first stage of anything would be an MOU announcement. And then there would be a development through to what we would call a fee contract or an initial contract, which, again, it would probably be certainly back end of next year, if that was to happen, but we're working hard on these things. And there are numerous opportunities to be clear, for the EC6 out there.

**Operator**^ Our next question comes from Michael Tupholme with TD Cowen.

**Michael Tupholme**^ Ian, you spoke earlier in the call on several occasions about your capabilities in the Defence arena and some of the opportunities you see there.

I'm wondering if you can add on to that and speak in a little bit more detail about exactly where you see AtkinsRéalis having strong capabilities in Defence and to what extent do you think we could see Defence be a growth area that really contributes in 2026 and beyond?

**Ian Edwards**^ Yes. No, for sure. I mean our current real strength in Defence is in the U.K. And where we play is in the facilities to operate, maintain and house assets. So assets being aircraft, submarines, ships, even people, barracks and the like.

And what we've experienced in the U.K. over the last few years is a fairly significant upgrade of existing dock yards, to existing air fields, to take on the new evolution of assets. A good example of that and how we will move from the U.K. to other countries would be the focus on marine program, where we are the engineer of physical infrastructure assets to support that program in the U.K. And having got that experience, we are in a very good place, I think, in Australia, where the AUKUS submarine is being deployed also. And they're going through a big program to build the ports actually to support, house, and maintain their first Nuclear submarine in Australia.

And then same in Canada, I mean new aircraft in Canada, new ships in Canada, no potential submarines in Canada. All of the physical infrastructure will need upgrading to be able to operate and maintain those assets. And probably, a fact that really isn't well known, is that when you buy a bunch of assets in the capital -- sorry, in the overall cost of deploying those assets, well over half of it is in the physical infrastructure and the operations and OpEx to operate that over its life. So there is quite an investment that goes into the kind of non-equipment asset, when Defence programs being put through.

So clearly, with the U.K., Australia and Canada having increased commitments, those are the countries that we see the best opportunity for ourselves.

**Michael Tupholme**^ That's perfect. And then just a follow-up, you had a number of questions earlier, but the organic growth in the ESR segment. Wondering if you can talk a little bit about David Evans.

I know at the moment, it's contributing to acquisition growth, but within its underlying operations, what have you seen in the third quarter in terms of its own underlying organic growth?

**Ian Edwards**^ Yes. I mean good growth. They continue to perform in line with our expectations. The integration piece and the cooperation between our U.S. business and David Evans is going well.

And probably going forward, the most important thing is that we've developed a pipeline of opportunities that actually, David Evans wouldn't have been able to bid them because of scale, and we wouldn't have been able to bid them because of a lack of local connectivity and presence and people. So that pipeline now goes well into 2026 and it's being executed together.

So we're actually putting teams on those bids, which are joint teams at this stage, and we would hope to start winning work, which is beyond the kind of ability that David Evans would have had on their own. And those revenue synergies are part of the whole thesis of buying David Evans in the first place.

**Operator**^ Our next question comes from Jonathan Goldman with Scotiabank.

**Jonathan Goldman**^ You revised the organic growth guidance in Engineering Services to low single digit. That does seem to imply a pretty significant growth in Q4, double-digit growth. I know part of that is just an easy comp last year, but what visibility do you have as we sit here today on getting to that sort of level of growth in Q4?

**Jeff Bell**^ Yes. Jeff here, why don't I take that? We have really good visibility Jonathan. And you are right. We are lapping a less strong quarter in the previous year. So that clearly underpins some of that growth increase quarter-over-quarter we'd expect in Q4.

But as you heard from Ian earlier, we've finished off some of the projects that were creating some of that headwind, but we are seeing real increase in activity in the markets that we're in. We're seeing higher levels of backlog. We are seeing contracts and framework agreements that we have won that had some delay, particularly true in the U.S., now actually turning into revenue.

So now that we're the better part of six weeks halfway through the quarter, we're definitely seeing an uptick in contracts into revenue, higher utilization and productivity. And so we're, therefore, very confident in that return [inaudible] that underpins that overall full year guidance of growth.

**Jonathan Goldman**^ That's helpful. And maybe, I guess, talking about the backlog. Engineering Services's kind of flat quarter-on-quarter.

Is some of that maybe timing-related and kind of the cadence that you're seeing on the top line organic growth guide, but on the backlog side as well?

**Jeff Bell**^ Yes, a bit of that. But I think it's why we've seen this over the last two or three quarters, just this lengthening of clients taking pieces of work that we've won and just taking disproportionately longer to turn that into actual purchase orders or statements of work that we execute against.

Now we're seeing that starting to flow a lot more like we had seen previously.

**Jonathan Goldman**^ Okay. That's really helpful. It makes a lot of sense. And I guess maybe a higher level one for you, Ian. The 40% of IJJA money that's only been spent so far, it does seem to set up well for the next few years. But is there a risk that the balance of the money does not get deployed given all the uncertainty in the market and kind of things that are happening with the U.S. administration.

**Ian Edwards**^ Well there's always a risk. But what we're hearing and what we understand is that the bill has got support and that the bill is necessary to try and fill this infrastructure investment gap that is across the country.

**Operator**^ Our next question comes from Devin Dodge with BMO Capital Markets.

**Devin Dodge**^ Thanks for squeezing me in here. I was going to ask a question on Nuclear.

So the 2027 revenue target, \$2.2 billion-\$2.5 billion, and you're in the low end of that range in 2025, so just wondering if we should be expecting revenue growth to be, say relatively more muted in '26 and '27 off a pretty high base in 2025? Or should we be assuming there's some conservatism still baked into the 2027 target?

**Ian Edwards**^ Obviously we've seen phenomenal growth year-over-year in '24 '25. And we will continue to grow revenues even with the backlog we already have. And on Slide 11, you can see that sort of visibility of the follow-up phases that will fuel revenues and backlog through to 2027.

But we're not going to see the kind of growth that we've seen year-over-year '24 to '25, because we're obviously comparing next year against very good growth in '25. You will see growth, but it will be very different than you've seen this year.

Also, I would say that, we repeat what I said before, that on the Slide 11, the backlog in the near-term revenues are really about the new build at Cernavoda and about the life extension projects. If and when we start winning further new builds, the revenues at the beginning will be quite low because the engineering phase and the feasibility phase of these projects are not going to bring significant revenues until towards the end of this decade, where they really will bring significant revenues.

So the way we see it is we've got great growth potential for the medium term in this business through into the next decade. But it's not going to be what you've seen recently.

**Devin Dodge**^ Yes. I mean fair enough. But do you see maybe a mix shift to more towards, we'll say, services versus procurement as you think about '26 and '27.

**Ian Edwards**^ Well I see both, actually. I mean the CANDU technology, obviously, as I said, we're in discussions in Canada, we're in discussions around the world for new builds.

But the Services business, which supports other technologies and decommissioning and waste management and even fusion programs, is also winning work. And so the whole industry is really going through this super cycle. And we're seeing good opportunities all around.

And our U.S. business is relatively small right now. But with the very strong commitment in the U.S. we're taking the CANDU technology through the licensing process to ensure that we are able, if utilities and clients want the Canadian CANDU technology in the U.S., we're able to deploy it there as well.

So I think it's that the whole industry is pretty volume.

**Devin Dodge**^ Fair enough. And then switching over to the Engineering Services. Obviously it seems like a pretty active M&A market there. What do you see as the drivers for sellers coming to the market now? And what's your pitch to them to select Atkins to be the buyer of choice.

**Ian Edwards**^ Yes. I mean at the scale of deals that we're doing at the moment, I think owners of privately owned companies at the 1,000-ish size, they get to a point where they're going to do something different to continue to grow, either get investment from private equity or join a strategic such as ourselves.

And I think the advantage, particularly in the U.S. for ourselves, is that we've got a lot of white space geographically. So they're not going to get absorbed into a machine that gives them no unity and gives them no kind of identification of what they have become and what they are.

So for our strategy, it's a matter of stitching together geographic targets to give us a complete picture across the U.S. And something like David Evans, there was high competition for that acquisition, but we managed to work together to ensure that what they wanted for their future and what we wanted for our future became aligned. And it doesn't always work.

But the good news in the U.S. is there's numerous targets that are in that situation, like-like numerous, and that are continually coming on to the market. And then, of course,

you've got the recycled assets from private equity that come on to the market at the end of that investment cycle.

So it's a very buoyant and quite exciting market for us at the moment.

But that's our strategy.

**Devin Dodge**^ Good color. And then maybe just one quick clarification, and apologies if I missed it, but are you still expecting to reach the targeted one to two turns for net debt to EBITDA by the end of 2026?

**Jeff Bell**^ Yes.

We didn't comment on it.

But I would say our comments remain the same that we laid out at Q2 and that I commented to then is that largely, we expect deploy capital in line with the capital allocation framework we laid out, such that by the end of 2026, we'd at least be around the bottom end of the range of our one to 2x leverage.

**Operator**^ I'm not showing any further questions at this time.

I'd like to turn the call back to Denis Jasmin for any further remarks.

**Denis Jasmin**^ Thank you very much, everybody, for joining us today.

If you have further questions, please do [inaudible] Thank you very much.

Bye, bye.

**Operator**^ Ladies and gentlemen, this does conclude today's presentation.

You may now disconnect.

And have a wonderful day.