



Management's

Discussion and Analysis

Third Quarter and First Nine Months of 2023 versus
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November 9, 2023

All financial information in Canadian dollars, unless otherwise indicated

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Management's Discussion and Analysis ("MD&A") is designed to provide the reader with a greater understanding of the business of SNC-Lavalin Group Inc. (doing business under the name "AtkinsRéalis"), the business strategy and performance, as well as how it manages risk and capital resources. It is intended to enhance the understanding of the unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022, and accompanying notes, and should therefore **be read in conjunction with these documents, with the annual Management's Discussion and Analysis dated March 2, 2023 ("2022 Annual MD&A") and the Company's 2022 audited annual consolidated financial statements (the "2022 Annual Financial Statements") and accompanying notes, and should also be read together with the text below on forward-looking statements.** References in this MD&A to the "Company", "AtkinsRéalis", "SNC-Lavalin", "we", "us" and "our" mean, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements or associates, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements or associates. Unless otherwise specified, references herein to "Sections" are to Sections of this MD&A.

The Company's quarterly and annual financial information, its Annual Information Form, its Management Proxy Circular, other financial documents and additional information relating to the Company are available on both the Company's website at www.atkinsrealis.com and through SEDAR+ at www.sedarplus.com. SEDAR+ is the electronic system for the official filing of documents by public companies with the Canadian securities regulatory authorities. None of the information contained on, or connected to the AtkinsRéalis website, is incorporated by reference into or otherwise forms part of this MD&A.

Unless otherwise indicated, all financial information presented in this MD&A, including tabular amounts, is in **Canadian dollars** and is prepared in accordance with **International Financial Reporting Standards ("IFRS")**. **Certain totals, subtotals and percentages may not reconcile due to rounding. Not applicable ("N/A") is used to indicate that the percentage change between the current and prior year figures is not meaningful, or if the percentage change exceeds 1,000%.**

Non-IFRS Financial Measures and Ratios, Supplementary Financial Measures and Non-Financial Information

Certain indicators used by the Company to analyze and evaluate its results, which are listed in the table below, are non-IFRS financial measures or ratios, supplementary financial measures or non-financial information. Consequently, they do not have a standardized meaning as prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS financial measures and ratios, and certain supplementary financial measures and non-financial information, provide additional insight into the Company's financial results and certain investors may use this information to evaluate the Company's performance from period to period. However, these measures, ratios and non-financial information have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

NON-IFRS FINANCIAL MEASURES AND RATIOS, SUPPLEMENTARY FINANCIAL MEASURES AND NON-FINANCIAL INFORMATION

Performance

- Adjusted diluted earnings per share ("**Adjusted diluted EPS**")
- Adjusted earnings (loss) before net financial expenses (income), income taxes, depreciation and amortization ("**Adjusted EBITDA**")
- Adjusted net income (loss) attributable to AtkinsRéalis shareholders
- Booking-to-revenue ratio
- Earnings (loss) before net financial expenses (income), income taxes, depreciation and amortization ("**EBITDA**")
- Return on average shareholders' equity ("**ROASE**")
- Segment Adjusted EBITDA
- Segment Adjusted EBITDA to segment net revenue ratio (%)
- Segment net revenue

Liquidity

- Days Sales Outstanding ("**DSO**") for the Engineering Services segment
- Free cash flow (usage)
- Free cash flow (usage) to adjusted net income (loss) attributable to AtkinsRéalis shareholders ratio
- Net cash generated from (used for) operating activities on a line of business / segment basis
- Net limited recourse and recourse debt
- Net limited recourse and recourse debt to Adjusted EBITDA ratio
- Working capital
- Current ratio

Other

- Organic revenue
- Organic revenue growth (contraction)

Definitions of all non-IFRS financial measures and ratios, supplementary financial measures and non-financial information are provided in Section 9 to give the reader a better understanding of the indicators used by management. In addition, when applicable, the Company provides a quantitative reconciliation of the non-IFRS financial measures and ratios to the most directly comparable measure calculated in accordance with IFRS. Refer to Section 9 for references to the sections of this MD&A where these reconciliations are provided.

Forward-Looking Statements

Statements made in this MD&A that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "cost savings", "estimates", "expects", "forecasts", "goal", "intends", "likely", "may", "objective", "outlook", "plans", "projects", "should", "synergies", "target", "vision", "will", or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses, project- or contract-specific cost reforecasts and claims provisions, and future prospects; and ii) business and management strategies and the expansion and growth of the Company's operations. All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this MD&A are based on a number of assumptions believed by the Company to be reasonable on November 9, 2023. The assumptions are set out throughout the Company's 2022 Annual MD&A (particularly in the sections entitled "Critical Accounting Judgements and Key Sources of Estimation Uncertainty" and "How We Analyze and Report Our Results"). If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to, matters relating to: (a) epidemics, pandemics, including COVID-19, and other global health crises; (b) execution of the Company's "Pivoting to Growth Strategy" unveiled in September 2021; (c) fixed-price contracts or the Company's failure to meet contractual schedule, performance requirements or to execute projects efficiently; (d) backlog and contracts with termination for convenience provisions; (e) contract awards and timing; (f) being a provider of services to government agencies; (g) international operations; (h) nuclear liability; (i) ownership interests in investments; (j) dependence on third parties; (k) supply chain disruptions; (l) joint ventures and partnerships; (m) information systems and data and compliance with privacy legislation; (n) qualified personnel; (o) competition; (p) professional liability or liability for faulty services; (q) monetary damages and penalties in connection with professional and engineering reports and opinions; (r) gaps in insurance coverage; (s) health and safety; (t) work stoppages, union negotiations and other labour matters; (u) global climate change, extreme weather conditions and the impact of natural or other disasters; (v) divestitures and the sale of significant assets; (w) intellectual property; (x) liquidity and financial position; (y) indebtedness; (z) impact of operating results and level of indebtedness on financial situation; (aa) security under the CDPQ Loan Agreement (as hereinafter defined); (bb) dependence on subsidiaries to help repay indebtedness; (cc) dividends; (dd) post-employment benefit obligations, including pension-related obligations; (ee) working capital requirements; (ff) collection from customers; (gg) impairment of goodwill and other assets; (hh) the impact on the Company of legal and regulatory proceedings, investigations and dispute settlements; (ii) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-corruption and other government laws and regulations; (jj) reputation of the Company; (kk) inherent limitations to the Company's control framework; (ll) environmental laws and regulations; (mm) global economic conditions; (nn) inflation; (oo) fluctuations in commodity prices; and (pp) income taxes.

The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgements and Key Sources of Estimation Uncertainty" in the 2022 Annual MD&A and, when applicable, information updated in this MD&A.

The Company may, from time to time, make oral forward-looking statements. The Company advises that the above paragraphs and the risk factors described in this MD&A should be read for a description of certain factors that could cause the actual results of the Company to differ materially from those in the oral forward-looking statements. The forward-looking statements herein reflect the Company's expectations as at November 9, 2023, the date on which the Company's Board of Directors approved this document, and they are subject to change after this date. The Company does not undertake to update publicly or to revise any written or oral forward-looking information or statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

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1 Our Business

On September 12, 2023, the Company announced that it has rebranded to AtkinsRéalis. The name AtkinsRéalis is a created term that combines Atkins, a legacy brand that is well-established across the Company's international markets, and "Réalis," inspired by the city of Montréal and the Company's French-Canadian roots. "Réalis" also resembles the verb "to realize" or "to make happen" which emphasizes the Company's focus on outcomes and project delivery. The Company intends to submit to shareholders at its 2024 annual meeting of shareholders a resolution to formally approve its change of name under the Canada Business Corporations Act.

Created by the integration of long-standing organizations dating back to 1911, AtkinsRéalis is a world-leading professional services and project management company dedicated to engineering a better future for our planet and its people. The Company creates sustainable solutions that connect people, data and technology to transform the world's infrastructure and energy systems. The Company deploys global capabilities locally to its clients and delivers unique end-to-end services across the whole life cycle of an asset including consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, operations & maintenance ("O&M"), decommissioning and capital.

In certain parts of this MD&A, activities from Professional Services & Project Management are collectively referred to as "PS&PM" to distinguish them from "Capital" activities. PS&PM groups together five of the Company's segments, namely Engineering Services, Nuclear, O&M, Linxon and LSTK Projects, while Capital is its own reportable segment and separate from PS&PM.

Contracts that provide for engineering, procurement and construction management services are often referred to as "EPCM" contracts. Contracts that include engineering services, providing materials and providing or fabricating equipment, and construction activities are often referred to as "EPC" contracts.

2 How We Analyze and Report Our Results

HOW WE REPORT OUR RESULTS

The Company presents its financial information consistent with the manner in which management evaluates performance by grouping its activities in six reportable segments, namely: (i) Engineering Services; (ii) Nuclear; (iii) O&M; (iv) Linxon; (v) LSTK Projects; and (vi) Capital.

In addition, the Company further reports certain results and provides certain financial information separately for (i) PS&PM activities, which is comprised of five of its six segments, namely Engineering Services, Nuclear, O&M, Linxon and LSTK Projects, and (ii) Capital.

PS&PM

What is reported in PS&PM includes contracts generating revenues derived mainly from consulting, advisory & environmental services, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, O&M, decommissioning and sustaining capital. It also includes revenues from lump-sum turnkey ("LSTK") construction contracts, for which the Company ceased bidding in July 2019, except for certain repetitive EPC offerings that are lower-risk, standardized solutions.

Engineering Services incorporates consultancy, engineering, design and project management services around the world, primarily for the building & places, defence, industrial, minerals & metals, power & renewables, transportation and water markets. A significant portion of Engineering Services revenues are

derived from the public sector, including national, provincial, state and local and municipal authorities. The Engineering Services segment derives its revenues primarily from reimbursable and engineering services contracts.

Nuclear supports clients across the entire nuclear lifecycle with the full spectrum of services from consultancy, EPCM services, field services, technology services, spare parts, reactor support and decommissioning and waste management. As stewards of the CANDU[®] technology, it also provides new-build and full refurbishment services of CANDU[®] reactors. The Nuclear segment derives its revenues primarily from reimbursable and engineering services contracts.

[®] CANDU is a registered trademark of Atomic Energy of Canada Limited, used under exclusive license by Candu Energy Inc., a subsidiary of the Company.

O&M consists of providing operations, maintenance and asset management solutions for bridges, transit systems, highways, buildings and industrial plants including power plants, water supply and treatment systems and desalination plants, as well as postal services and ships. The O&M segment derives all its revenues from reimbursable and engineering services contracts.

Linxon offers engineering, procurement, management and construction services for execution of large, complex alternative current power substations including expansions and electrification, notably through repetitive EPC offerings in the following markets: Utilities, Renewable, Conventional Generation, Transportation and Data centers. The Linxon segment derives its revenues mainly from standardized EPC contracts.

Combined, the four segments described above are presented under the **AtkinsRéalis Services** (previously, SNCL Services) line of business.

LSTK Projects is comprised of the remaining LSTK construction contracts of the Company, notably mass transit projects in Canada and one LSTK project in the Middle East. This segment also includes the financial results of legacy warranty costs and claims from completed LSTK projects. In July 2019, the Company decided to cease bidding on new LSTK construction contracts. The LSTK Projects segment derives all its revenues from LSTK construction contracts.

While our contracts are negotiated using a variety of contracting options, PS&PM revenues are derived primarily from three major types of contracts: reimbursable and engineering services contracts, LSTK construction contracts, and standardized EPC contracts, all of which are defined in Section 5. PS&PM contracts can be found in the following segments and lines of business:

PS&PM Breakdown					
	AtkinsRéalis Services Line of Business				LSTK Projects Segment
	Engineering Services Segment	Nuclear Segment	O&M Segment	Linxon Segment	
Reimbursable and engineering services contracts	✓	✓	✓	✓	N/A
LSTK construction contracts	N/A	N/A ⁽¹⁾	N/A	N/A	✓
Standardized EPC contracts	✓	N/A	N/A	✓	N/A

⁽¹⁾ Nuclear includes one legacy LSTK construction contract.

The Company derives its PS&PM revenues from reimbursable and engineering services contracts (first nine months of 2023: 86%; first nine months of 2022: 79%), standardized EPC contracts (first nine months of 2023: 7%; first nine months of 2022: 8%) and LSTK construction contracts (first nine months of 2023: 7%; first nine months of 2022: 13%).

CAPITAL

Capital is AtkinsRéalis' investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure such as bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals). The Capital segment includes AtkinsRéalis' 20% ownership interest in and management of SNC-Lavalin Infrastructure Partners LP.

Capital is involved in public-private partnerships. These arrangements allow for the transfer to the private sector of many of the risks associated with designing, building, operating, maintaining and financing such assets. In return, the client will either: i) commit to making regular payments, usually in the form of availability payments, upon the start of operations of the infrastructure for a defined period of time (typically 20 to 40 years); or ii) authorize the infrastructure concession entity to charge users of the infrastructure for a defined period of time; or iii) a combination of both.

Revenues from Capital investments are generated mainly from dividends or distributions received by AtkinsRéalis from the investment concession entities or from all or a portion of an investment concession entity's revenues or net results, depending on the accounting method required by IFRS.

It is the Company's view that the aggregate fair value of its Capital investments is significantly higher than their net book value of \$696.2 million as at September 30, 2023. The Company's remaining stake of 6.76% in 407 International Inc. ("Highway 407 ETR") represents the most significant portion of the total fair value of the Company's Capital investments portfolio.

As at September 30, 2023 and December 31, 2022, the net book value of Capital investments can be summarized as follows:

(IN MILLIONS \$)	SEPTEMBER 30 2023	DECEMBER 31 2022
Highway 407 ETR ⁽¹⁾	\$ —	\$ —
Others	696.2	591.8
Total	\$ 696.2	\$ 591.8

⁽¹⁾ The net book value is nil as the Company had previously stopped recognizing its share of the losses of Highway 407 ETR when the cumulative losses and dividends resulted in a negative balance for the Company's investment in Highway 407 ETR.

3

Executive Summary – Third Quarter and First Nine Months of 2023

3.1 EXECUTIVE SUMMARY – KEY FINANCIAL INDICATORS

FINANCIAL HIGHLIGHTS

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Income Statements				
Revenues	\$ 2,200.1	\$ 1,889.4	\$ 6,354.7	\$ 5,649.0
Earnings before interest and taxes (“EBIT”)	160.9	72.9	363.0	151.5
EBITDA ⁽¹⁾	223.8	136.1	547.0	342.6
Net income from continuing operations	104.7	46.6	196.8	72.0
Net loss from discontinued operations	—	(6.9)	—	(6.9)
Net income	104.7	39.7	196.8	65.1
Diluted earnings per share from continuing operations (“Diluted EPS”) (in \$)	0.60	0.25	1.12	0.40
Revenues from PS&PM from continuing operations	2,171.2	1,859.9	6,280.1	5,589.2
Net income attributable to AtkinsRéalis shareholders from continuing operations from PS&PM	91.0	29.5	166.8	45.6
Adjusted net income attributable to AtkinsRéalis shareholders from PS&PM ⁽¹⁾	67.3	52.1	194.6	145.3
Diluted EPS from PS&PM (in \$)	0.52	0.17	0.95	0.26
Adjusted diluted EPS from PS&PM (in \$) ⁽¹⁾	0.38	0.30	1.11	0.83
Financial Position & Cash Flows				
Cash and cash equivalents (2022 at December 31)			\$ 563.5	\$ 570.3
Limited recourse debt (2022 at December 31)			398.1	400.0
Recourse debt (2022 at December 31)			1,731.4	1,470.6
Net limited recourse and recourse debt to Adjusted EBITDA ratio ⁽¹⁾ (2022 at December 31)			2.7	2.9
Net cash used for operating activities			(206.8)	(421.4)
Free cash flow (usage) ⁽¹⁾			(309.1)	(529.5)
Additional Indicator				
Revenue backlog (at September 30)			\$ 12,829.7	\$ 12,362.0

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

The Company's financial highlights reflect the following major items for the third quarter of 2023:

- Revenues for the third quarter of 2023 increased to \$2,200.1 million compared to \$1,889.4 million for the third quarter of 2022, reflecting mainly higher revenues from Engineering Services and Nuclear, partially offset by lower revenues from LSTK Projects.
- Net income from continuing operations totaled \$104.7 million for the third quarter of 2023 compared to \$46.6 million for the third quarter of 2022. The main reasons for this increase were:
 - a higher contribution from Engineering Services and a lower loss from LSTK Projects in the third quarter of 2023;
 - a \$46.2 million gain on disposal of a PS&PM business in the third quarter of 2023 related to the disposal of the Company's Scandinavian Engineering Services business (refer to Section 4.1.3.5) which were partially offset by:
 - higher corporate selling, general and administrative expenses in the third quarter of 2023; and

- higher net financial expenses in the third quarter of 2023.
- Cash and cash equivalents of \$563.5 million as at September 30, 2023, compared to \$570.3 million as at December 31, 2022, as the net cash generated from financing and investing activities was more than offset by the net cash used for operating activities.
- Revenue backlog of \$12.8 billion as at September 30, 2023, higher than the revenue backlog of \$12.6 billion as at December 31, 2022 and \$12.4 billion as at September 30, 2022.

3.2 EXECUTIVE SUMMARY – OTHER ITEMS

DISPOSAL OF THE COMPANY’S SCANDINAVIAN ENGINEERING SERVICES BUSINESS

On August 31, 2023, the Company announced that it had completed the sale of its Scandinavian Engineering Services business (comprising Denmark, Sweden and Norway) to SYSTRA Group, a France-based engineering and consulting group specialized in public transport and mobility solutions. The gain on disposal amounted to \$46.2 million (refer to Section 4.1.3.5).

AMENDMENTS TO THE 2022 CREDIT AGREEMENT

In the second quarter of 2023, the Company entered into an agreement with its lenders to extend the maturity of its 2022 Credit Agreement from May 13, 2025 to May 31, 2026. As a result of this agreement, the notional amount of Tranche A of the revolving credit facility is \$1,350.0 million until May 13, 2025 and \$1,315.1 million thereafter and until May 31, 2026, the notional amount of Tranche B of the revolving credit facility is \$450.0 million until May 13, 2025 and \$438.4 million thereafter and until May 31, 2026, and the notional amount of the Term Loan remains at \$500.0 million until May 31, 2026.

AMENDMENTS TO THE CDPQ LOAN

In the third quarter of 2023, the Company entered into an agreement with CDPQ Revenu fixe I Inc. (“CDPQ RF”) mainly to extend the maturity of its CDPQ Loan from July 2024 to July 2026. The notional amount of the CDPQ Loan remains at \$400.0 million until July 2026.

4 Financial Performance Analysis

4.1 INCOME STATEMENT

The financial information presented in the table below has been derived from the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022 prepared in accordance with IAS 34, *Interim Financial Reporting*, with the exception of the "Additional financial indicators from continuing operations" section below, which includes certain non-IFRS financial measures.

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues	\$ 2,200.1	\$ 1,889.4	\$ 6,354.7	\$ 5,649.0
Segment Adjusted EBIT – Total	\$ 196.7	\$ 133.5	\$ 533.8	\$ 362.2
Corporate selling, general and administrative expenses	\$ 54.3	\$ 31.9	\$ 126.6	\$ 95.9
Restructuring and transformation costs	6.6	8.8	27.9	29.0
Amortization of intangible assets related to business combinations	21.1	19.8	62.5	62.7
Gain on disposal of a Capital investment	—	—	—	(4.3)
Gain on disposal of a PS&PM business	(46.2)	—	(46.2)	—
DPCP Remediation Agreement expense	—	—	—	27.4
EBIT	\$ 160.9	\$ 72.9	\$ 363.0	\$ 151.5
Net financial expenses	\$ 50.2	\$ 23.0	\$ 140.6	\$ 68.8
Earnings before income taxes from continuing operations	\$ 110.8	\$ 49.9	\$ 222.4	\$ 82.7
Income tax expense	\$ 6.1	\$ 3.3	\$ 25.6	\$ 10.7
Net income from continuing operations	\$ 104.7	\$ 46.6	\$ 196.8	\$ 72.0
Net loss from discontinued operations	—	(6.9)	—	(6.9)
Net income	\$ 104.7	\$ 39.7	\$ 196.8	\$ 65.1
Net income (loss) attributable to:				
AtkinsRéalis shareholders	\$ 105.0	\$ 37.8	\$ 197.2	\$ 64.1
Non-controlling interests	(0.3)	1.9	(0.4)	1.0
Net income	\$ 104.7	\$ 39.7	\$ 196.8	\$ 65.1
Earnings per share (in \$):				
Basic	\$ 0.60	\$ 0.22	\$ 1.12	\$ 0.37
Diluted	\$ 0.60	\$ 0.22	\$ 1.12	\$ 0.37
Net income attributable to AtkinsRéalis shareholders from continuing operations:				
From PS&PM	\$ 91.0	\$ 29.5	\$ 166.8	\$ 45.6
From Capital	14.0	15.2	30.4	25.4
Net income attributable to AtkinsRéalis shareholders from continuing operations	\$ 105.0	\$ 44.7	\$ 197.2	\$ 71.0
Earnings per share from continuing operations (in \$):				
Basic	\$ 0.60	\$ 0.25	\$ 1.12	\$ 0.40
Diluted:				
From PS&PM	\$ 0.52	\$ 0.17	\$ 0.95	\$ 0.26
From Capital	0.08	0.09	0.17	0.14
Diluted earnings per share from continuing operations	\$ 0.60	\$ 0.25	\$ 1.12	\$ 0.40
Additional financial indicators from continuing operations:				
Adjusted EBITDA from PS&PM ⁽¹⁾	\$ 168.5	\$ 127.2	\$ 491.7	\$ 367.7
Adjusted diluted EPS from PS&PM (in \$) ⁽¹⁾	\$ 0.38	\$ 0.30	\$ 1.11	\$ 0.83

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

4.1.1 ANALYSIS OF REVENUES

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Engineering Services	\$ 1,518.1	\$ 1,176.5	\$ 4,328.4	\$ 3,443.3
Nuclear	270.5	219.2	766.0	672.3
O&M	114.8	124.3	339.7	365.6
Linxon	140.1	123.1	403.9	427.3
AtkinsRéalis Services – Total	\$ 2,043.5	\$ 1,643.0	\$ 5,837.9	\$ 4,908.5
LSTK Projects	\$ 127.6	\$ 216.9	\$ 442.1	\$ 680.7
PS&PM – Total	\$ 2,171.2	\$ 1,859.9	\$ 6,280.1	\$ 5,589.2
Capital	\$ 28.9	\$ 29.5	\$ 74.7	\$ 59.8
Total	\$ 2,200.1	\$ 1,889.4	\$ 6,354.7	\$ 5,649.0

Revenues for the third quarter of 2023 increased compared to the third quarter of 2022, reflecting mainly higher revenues from Engineering Services and Nuclear, partially offset by lower revenues from LSTK Projects.

Revenues for the first nine months of 2023 increased compared to the first nine months of 2022, mainly due to the same reasons stated above for the third quarter of 2023 compared to the third quarter of 2022.

Further explanations on revenues are provided for each segment in Section 4.1.4.

In addition, information on revenues by geographic area and by type of contracts is provided in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022.

4.1.2 ANALYSIS OF CONSOLIDATED NET INCOME, EBIT AND EBITDA

4.1.2.1 NET INCOME (LOSS) FROM CONTINUING OPERATIONS ANALYSIS

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Net income attributable to AtkinsRéalis shareholders from continuing operations:				
From PS&PM	\$ 91.0	\$ 29.5	\$ 166.8	\$ 45.6
From Capital	14.0	15.2	30.4	25.4
Net income attributable to AtkinsRéalis shareholders from continuing operations	\$ 105.0	\$ 44.7	\$ 197.2	\$ 71.0
Non-controlling interests	(0.3)	1.9	(0.4)	1.0
Net income from continuing operations	\$ 104.7	\$ 46.6	\$ 196.8	\$ 72.0

NET INCOME ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS FROM CONTINUING OPERATIONS FROM PS&PM

Net income attributable to AtkinsRéalis shareholders from continuing operations from PS&PM was \$91.0 million in the third quarter of 2023, compared to \$29.5 million in the third quarter of 2022. The increase was mainly due to a higher contribution from Engineering Services, a lower loss from LSTK Projects and a \$46.2 million gain on disposal of a PS&PM business in the third quarter of 2023, partially offset mainly by higher net financial expenses and higher corporate selling, general and administrative expenses in the third quarter of 2023.

Net income attributable to AtkinsRéalis shareholders from continuing operations from PS&PM was \$166.8 million for the first nine months of 2023, compared to \$45.6 million for the first nine months of 2022. The increase was mainly due to the same reasons stated above for the third quarter of 2023 compared to the third quarter of 2022, combined with a \$27.4 million DPCP Remediation Agreement expense incurred in the second quarter of 2022.

NET INCOME ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS FROM CONTINUING OPERATIONS FROM CAPITAL

Net income attributable to AtkinsRéalis shareholders from continuing operations from Capital amounted to \$14.0 million in the third quarter of 2023, compared to \$15.2 million in the third quarter of 2022. The decrease was mainly due to a lower dividend received from Highway 407 ETR, partially offset by higher contributions from certain investments in the third quarter of 2023 compared to the third quarter of 2022.

Net income attributable to AtkinsRéalis shareholders from continuing operations from Capital amounted to \$30.4 million for the first nine months of 2023, compared to \$25.4 million for the first nine months of 2022. The increase was mainly due to higher dividends received from Highway 407 ETR combined with higher contributions from certain investments in the first nine months of 2023 compared to the first nine months of 2022, partially offset by a \$4.4 million gain after income taxes from the disposal of InPower BC General Partnership (“InPower BC G.P.”) in the first quarter of 2022.

4.1.2.2 NET LOSS FROM DISCONTINUED OPERATIONS

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Loss on disposal of Oil & Gas business before income taxes	\$ —	\$ (7.5)	\$ —	\$ (7.5)
Income tax recovery	—	0.6	—	0.6
Net loss from discontinued operations	\$ —	\$ (6.9)	\$ —	\$ (6.9)

Net loss from discontinued operations was \$6.9 million in the third quarter and the first nine months of 2022 due to an adjustment on gain on disposal of the Oil & Gas business (Refer to Note 15B to the Company’s unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

4.1.2.3 CONSOLIDATED EBIT, EBITDA AND ADJUSTED EBITDA ANALYSIS

In the third quarter of 2023, EBIT was \$160.9 million, compared to \$72.9 million in the third quarter of 2022. The increase in EBIT was primarily due to a higher contribution from Engineering Services, a lower loss from LSTK Projects and a \$46.2 million gain on disposal of a PS&PM business in the third quarter of 2023, partially offset mainly by higher corporate selling, general and administrative expenses.

For the first nine months of 2023, EBIT was \$363.0 million, compared to \$151.5 million for the first nine months of 2022. The increase in EBIT was primarily due to the same reasons stated above for the third quarter of 2023 compared to the third quarter of 2022, as well as a \$27.4 million DPCP Remediation Agreement expense incurred in the first nine months of 2022 while there was no such expense in the first nine months of 2023.

EBITDA is a non-IFRS financial measure. EBITDA is defined and reconciled to net income from continuing operations in Section 9.

EBITDA was \$223.8 million in the third quarter of 2023, compared to \$136.1 million in the third quarter of 2022, with the increase being mainly explained by the same factors described above for EBIT for the same period. **Adjusted EBITDA**, a non-IFRS measure described in Section 9.1, **amounted to \$184.3 million in the third quarter of 2023**, compared to \$144.9 million in the third quarter of 2022. When excluding results from Capital, **Adjusted EBITDA from PS&PM**, also a non-IFRS measure described in Section 9.1 (within the definition of Adjusted EBITDA), **amounted to \$168.5 million in the third quarter of 2023**, compared to \$127.2 million in the third quarter of 2022.

EBITDA was \$547.0 million for the first nine months of 2023, compared to \$342.6 million for the first nine months of 2022, with the increase being mainly explained by the same factors described above for EBIT for the same period. **Adjusted EBITDA**, a non-IFRS measure described in Section 9.1, **amounted to \$528.7 million for the first nine months of 2023**, compared to \$394.7 million for the first nine months of 2022. When excluding the results from Capital, **Adjusted EBITDA from PS&PM**, also a non-IFRS measure described in Section 9.1 (within the definition of Adjusted EBITDA), **amounted to \$491.7 million for the first nine months of 2023**, compared to \$367.7 million for the first nine months of 2022.

4.1.3 ANALYSIS OF OTHER LINE ITEMS IN THE INCOME STATEMENT

4.1.3.1 CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

THIRD QUARTERS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
	Corporate selling, general and administrative expenses before loss (gain) arising on financial instruments at fair value through profit or loss	\$ 51.5	\$ 7.0	\$ 58.5	\$ 25.3	\$ 7.0
Loss (gain) arising on financial instruments at fair value through profit or loss	(4.2)	—	(4.2)	(0.5)	—	(0.5)
Corporate selling, general and administrative expenses	\$ 47.2	\$ 7.0	\$ 54.3	\$ 24.8	\$ 7.0	\$ 31.9

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
	Corporate selling, general and administrative expenses before loss (gain) arising on financial instruments at fair value through profit or loss	\$ 114.0	\$ 21.1	\$ 135.1	\$ 71.7	\$ 21.1
Loss (gain) arising on financial instruments at fair value through profit or loss	(8.5)	—	(8.5)	3.1	—	3.1
Corporate selling, general and administrative expenses	\$ 105.5	\$ 21.1	\$ 126.6	\$ 74.8	\$ 21.1	\$ 95.9

Corporate selling, general and administrative expenses before loss (gain) arising on financial instruments at fair value through profit or loss totaled \$58.5 million in the third quarter of 2023, compared to \$32.4 million in the third quarter of 2022. Corporate selling, general and administrative expenses before loss (gain) arising on financial instruments at fair value through profit or loss totaled \$135.1 million for the first nine months of 2023, compared to \$92.9 million for the first nine months of 2022. The increase in both the third quarter and the first nine months of 2023 was primarily driven by expenses incurred on the Company's rebranding and revised estimates on long-term employee incentives.

The gain arising on financial instruments at fair value through profit or loss amounted to \$4.2 million in the third quarter of 2023 (third quarter of 2022: a gain of \$0.5 million) and \$8.5 million for the first nine months of 2023 (first nine months of 2022: a loss of \$3.1 million).

4.1.3.2 RESTRUCTURING AND TRANSFORMATION COSTS

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Restructuring costs	\$ 1.6	\$ 1.2	\$ 12.1	\$ 5.5
Transformation costs	5.1	7.6	15.8	23.5
Restructuring and transformation costs	\$ 6.6	\$ 8.8	\$ 27.9	\$ 29.0

The Company incurred \$6.6 million of restructuring and transformation costs in the third quarter of 2023 (third quarter of 2022: \$8.8 million), a decrease reflecting mainly lower transformation costs. The restructuring and transformation costs for the first nine months of 2023 were in line with restructuring and transformation costs for the first nine months of 2022. The restructuring costs incurred in the first nine months of 2023 were mainly related to the Engineering Services segment and were mainly for severance and occupancy obligations.

4.1.3.3 AMORTIZATION OF INTANGIBLE ASSETS RELATED TO BUSINESS COMBINATIONS

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Amortization of intangible assets related to business combinations	\$ 21.1	\$ 19.8	\$ 62.5	\$ 62.7

Amortization of intangible assets related to business combinations amounted to **\$21.1 million in the third quarter of 2023** (third quarter of 2022: \$19.8 million) and **\$62.5 million for the first nine months of 2023** (first nine months of 2022: \$62.7 million) both mainly attributable to the amortization expense of intangible assets related to Atkins, which was acquired in 2017.

4.1.3.4 GAIN ON DISPOSAL OF A CAPITAL INVESTMENT

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Gain on disposal of a Capital investment	\$ —	\$ —	\$ —	\$ 4.3

The \$4.3 million gain on disposal of a Capital investment for the first nine months of 2022 related to the disposal of InPower BC G.P. (refer to Note 5A to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

4.1.3.5 GAIN ON DISPOSAL OF A PS&PM BUSINESS

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Gain on disposal of a PS&PM business	\$ 46.2	\$ —	\$ 46.2	\$ —

The \$46.2 million gain on the disposal of a PS&PM business represents the gain recorded as a result of the disposal of the Company's Scandinavian Engineering Services business during the third quarter of 2023 (refer to Note 15A to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

4.1.3.6 DPCP REMEDIATION AGREEMENT EXPENSE

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
DPCP Remediation Agreement expense	\$ —	\$ —	\$ —	\$ 27.4

The \$27.4 million DPCP Remediation Agreement expense for the first nine months of 2022 represents the net present value of the installments payable over three years agreed as part of the DPCP Remediation Agreement (refer to Note 12 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

4.1.3.7 NET FINANCIAL EXPENSES

THIRD QUARTERS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Financial income	\$ (4.0)	\$ (0.1)	\$ (4.1)	\$ (2.0)	\$ —	\$ (2.0)
Interest on debt:						
Recourse	31.8	—	31.8	17.8	—	17.8
Limited recourse	8.8	—	8.8	6.7	—	6.7
Non-recourse	0.4	3.0	3.3	1.1	1.1	2.2
Net foreign exchange losses (gains)	2.2	—	2.2	(6.4)	—	(6.4)
Interest on lease liabilities	4.7	—	4.7	3.2	—	3.2
Other	4.7	(1.2)	3.5	1.6	0.1	1.6
Net financial expenses	\$ 48.6	\$ 1.6	\$ 50.2	\$ 21.9	\$ 1.1	\$ 23.0

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Financial income	\$ (11.2)	\$ (0.3)	\$ (11.5)	\$ (5.1)	\$ (0.1)	\$ (5.2)
Interest on debt:						
Recourse	83.8	—	83.8	39.7	—	39.7
Limited recourse	24.6	—	24.6	14.5	—	14.5
Non-recourse	2.4	7.3	9.7	2.7	3.0	5.7
Net foreign exchange losses (gains)	2.2	0.1	2.3	(10.6)	—	(10.6)
Interest on lease liabilities	16.0	—	16.0	12.2	—	12.2
Other	17.0	(1.2)	15.8	12.5	(0.1)	12.5
Net financial expenses	\$ 134.6	\$ 5.9	\$ 140.6	\$ 65.9	\$ 2.9	\$ 68.8

Net financial expenses from PS&PM amounted to \$48.6 million in the third quarter of 2023, compared to \$21.9 million in the third quarter of 2022. The increase was mainly due to a higher level of interest expense on debt in the third quarter of 2023 resulting mainly from a higher debt level and higher interest rates on variable rate debt combined with net foreign exchange losses in the third quarter of 2023 compared to net foreign exchange gains in the third quarter of 2022, partially offset by a higher financial income in the third quarter of 2023 compared to the third quarter of 2022.

Net financial expenses from PS&PM amounted to \$134.6 million for the first nine months of 2023, compared to \$65.9 million for the first nine months of 2022, mainly due to the same reasons stated above.

Net financial expenses from Capital increased to \$1.6 million in the third quarter of 2023, compared to \$1.1 million in the third quarter of 2022, while they increased to **\$5.9 million for the first nine months of 2023**, compared to \$2.9 million for the first nine months of 2022, mainly due to a higher level of interest expense on non-recourse debt for both periods.

4.1.3.8 INCOME TAXES

THIRD QUARTERS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Earnings from continuing operations before income taxes	\$ 96.6	\$ 14.1	\$ 110.8	\$ 33.2	\$ 16.7	\$ 49.9
Income tax expense	\$ 5.9	\$ 0.1	\$ 6.1	\$ 1.8	\$ 1.5	\$ 3.3
Effective income tax rate (%)	6.1%	0.9%	5.5%	5.4%	8.9%	6.6%

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Earnings from continuing operations before income taxes	\$ 191.4	\$ 31.1	\$ 222.4	\$ 54.3	\$ 28.4	\$ 82.7
Income tax expense	\$ 25.0	\$ 0.6	\$ 25.6	\$ 7.7	\$ 3.0	\$ 10.7
Effective income tax rate (%)	13.1%	2.0%	11.5%	14.2%	10.7%	13.0%

In the third quarter of 2023, the Company recognized an income tax expense of \$6.1 million, compared to an income tax expense of \$3.3 million in the third quarter of 2022.

In the third quarter of 2023, the effective income tax rate from PS&PM was lower than the Canadian statutory income tax rate of 26.4%, mainly due to the non-taxable gain on the disposal of the Company's Scandinavian Engineering Services business and the geographic mix of earnings, partially offset by net losses not affected by tax, non-deductible expenses and other permanent items.

In the third quarter of 2022, the effective income tax rate from PS&PM was lower than the Canadian statutory income tax rate of 26.3%, mainly due to the geographic mix of earnings and other permanent items.

The effective income tax rate from Capital was lower than the Canadian statutory income tax rate of 26.4% in the third quarter of 2023, mainly due to the non-taxable portion of investment income, including a dividend received from Highway 407 ETR.

The effective income tax rate from Capital was lower than the Canadian statutory income tax rate of 26.3% in the third quarter of 2022, mainly due to the non-taxable portion of investment income, including a dividend received from Highway 407 ETR.

For the first nine months of 2023, the Company recognized an income tax expense of \$25.6 million, compared to an income tax expense of \$10.7 million for the first nine months of 2022.

For the first nine months of 2023, the effective income tax rate from PS&PM was lower than the Canadian statutory income tax rate of 26.4%, mainly due to the geographic mix of earnings and the non-taxable gain on the disposal of the Company's Scandinavian Engineering Services business, partially offset by non-deductible expenses and other permanent items.

For the first nine months of 2022, the effective income tax rate from PS&PM was lower than the Canadian statutory income tax rate of 26.3%, mainly due to the geographic mix of earnings and revised estimates on certain income tax liabilities, partially offset by the non-tax deductible DPCP Remediation Agreement expense and other permanent items.

The effective income tax rate from Capital was lower than the Canadian statutory income tax rate of 26.4% for the first nine months of 2023, mainly due to the non-taxable portion of investment income, including dividends received from Highway 407 ETR.

For the first nine months of 2022, the effective income tax rate from Capital was lower than the Canadian statutory income tax rate of 26.3%, mainly due to the non-taxable portion of investment income (including a dividend received from Highway 407 ETR), and of the gain on disposal of InPower BC G.P.

4.1.4 ANALYSIS OF SEGMENT RESULTS AND PERFORMANCE

4.1.4.1 ENGINEERING SERVICES

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from Engineering Services	\$ 1,518.1	\$ 1,176.5	\$ 4,328.4	\$ 3,443.3
Segment Adjusted EBIT from Engineering Services	\$ 131.8	\$ 97.9	\$ 369.7	\$ 278.5
Segment Adjusted EBIT to revenues ratio from Engineering Services (%)	8.7%	8.3%	8.5%	8.1%
Additional information				
Segment Adjusted EBITDA from Engineering Services ⁽¹⁾	\$ 162.0	\$ 127.5	\$ 459.0	\$ 368.2
Segment Adjusted EBITDA to segment net revenue from Engineering Services ratio (%) ⁽¹⁾	14.4%	14.5%	14.0%	14.2%
Backlog (as at September 30)	\$ 5,123.0	\$ 4,622.9	\$ 5,123.0	\$ 4,622.9
Booking-to-revenue ratio (%) ⁽¹⁾	110%	140%	113%	125%

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

Engineering Services revenues were \$1,518.1 million in the third quarter of 2023, compared to \$1,176.5 million in the third quarter of 2022, a 29.0% increase. This increase was driven primarily by strong volume growth year-over-year in all major geographic areas and from Minerals & Metals. Excluding the effect of foreign currency changes, Engineering Services organic revenue growth (a non-IFRS financial measure described in Section 9) was 23.3% when compared to the same period in 2022.

Engineering Services revenues were \$4,328.4 million for the first nine months of 2023, compared to \$3,443.3 million for the first nine months of 2022, a 25.7% increase, primarily due to the same reasons stated above. Excluding the effect of foreign currency changes, Engineering Services organic revenue growth (a non-IFRS financial measure described in Section 9) was 22.0% when compared to the same period in 2022. Backlog increased to a record-high level of \$5,123.0 million as at September 30, 2023, compared to \$4,622.9 million as at September 30, 2022.

Segment Adjusted EBIT from Engineering Services increased to \$131.8 million (Segment Adjusted EBITDA of \$162.0 million) in the third quarter of 2023, compared to \$97.9 million (Segment Adjusted EBITDA of \$127.5 million) in the third quarter of 2022, while it **increased to \$369.7 million (Segment Adjusted EBITDA of \$459.0 million) for the first nine months of 2023**, compared to a Segment Adjusted EBIT of \$278.5 million (Segment Adjusted EBITDA of \$368.2 million) for the first nine months of 2022. The increase in both the third quarter and the first nine months of 2023 was mainly driven by the higher level of revenue.

Segment Adjusted EBITDA to segment net revenue from Engineering Services ratio was 14.4% in the third quarter of 2023, compared to 14.5% in the third quarter of 2022. **Segment Adjusted EBITDA to segment net revenue from Engineering Services ratio was 14.0% for the first nine months of 2023**, compared to 14.2% for the first nine months of 2022. Refer to Section 9.4.6 for the calculation of this ratio.

It should be noted that Segment Adjusted EBIT and Segment Adjusted EBITDA are presented before restructuring costs, which are disclosed in Section 4.1.3.2. It should also be noted that Segment Adjusted EBIT and Segment Adjusted EBITDA in the third quarter of 2023 and for the first nine months of 2023 exclude the \$46.2 million gain on the disposal of the Company's Scandinavian Engineering Services business as disclosed in Section 4.1.3.5.

OTHER KEY PERFORMANCE INDICATOR

AS AT (IN NUMBER OF DAYS)	SEPTEMBER 30 2023	SEPTEMBER 30 2022
DSO for the Engineering Services segment ⁽¹⁾	59 days	65 days

⁽¹⁾ DSO is a supplementary financial measure. Please refer to Section 9 for further information on this measure.

DSO for the Engineering Services segment stood at 59 days as at September 30, 2023 compared to 65 days as at September 30, 2022.

4.1.4.2 NUCLEAR

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from Nuclear	\$ 270.5	\$ 219.2	\$ 766.0	\$ 672.3
Segment Adjusted EBIT from Nuclear	\$ 38.7	\$ 36.6	\$ 104.3	\$ 103.4
Segment Adjusted EBIT to revenues ratio from Nuclear (%)	14.3%	16.7%	13.6%	15.4%
Additional information				
Segment Adjusted EBITDA from Nuclear ⁽¹⁾	\$ 42.0	\$ 40.0	\$ 114.4	\$ 114.0
Backlog (as at September 30)	\$ 1,053.1	\$ 859.0	\$ 1,053.1	\$ 859.0
Booking-to-revenue ratio (%) ⁽¹⁾	75%	123%	116%	104%

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

Nuclear revenues amounted to \$270.5 million in the third quarter of 2023, compared to \$219.2 million in the third quarter of 2022, a 23.4% increase. This was primarily due to higher volumes from Europe, the United States and Asia, while Canada remained stable. Excluding the effect of foreign currency changes, Nuclear organic revenue growth (a non-IFRS financial measure described in Section 9) was 19.6% when compared to the same period in 2022.

Nuclear revenues amounted to \$766.0 million for the first nine months of 2023, compared to \$672.3 million for the first nine months of 2022, a 13.9% increase. This was primarily due to higher volumes from Europe, the United States and Asia, partially offset by lower volume in Canada resulting mainly from a decreased level of activity on certain major projects. Excluding the effect of foreign currency changes, Nuclear organic revenue growth (a non-IFRS financial measure described in Section 9) was 11.6% when compared to the same period in 2022. Nuclear backlog increased to \$1,053.1 million as at September 30, 2023 compared to \$859.0 million on September 30, 2022, notably from the addition of life extension projects.

In the third quarter of 2023, Segment Adjusted EBIT from Nuclear amounted to \$38.7 million (Segment Adjusted EBITDA of \$42.0 million), compared to a Segment Adjusted EBIT of \$36.6 million (Segment Adjusted EBITDA of \$40.0 million) in the third quarter of 2022, mainly due to higher contributions from Europe and Asia primarily from higher volume, partially offset by a lower contribution from the United States, while the contribution from Canada remained stable.

For the first nine months of 2023, Segment Adjusted EBIT from Nuclear amounted to \$104.3 million (Segment Adjusted EBITDA of \$114.4 million), compared to a Segment Adjusted EBIT of \$103.4 million (Segment Adjusted EBITDA of \$114.0 million) for the first nine months of 2022, resulting mainly from higher contributions from Europe and Asia, partially offset by lower contributions from the United States and Canada, the latter being primarily due to a decreased level of activity on certain major projects.

4.1.4.3 O&M

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from O&M	\$ 114.8	\$ 124.3	\$ 339.7	\$ 365.6
Segment Adjusted EBIT from O&M	\$ 16.3	\$ 15.8	\$ 33.6	\$ 38.9
Segment Adjusted EBIT to revenues ratio from O&M (%)	14.2%	12.7%	9.9%	10.6%
Additional information				
Segment Adjusted EBITDA from O&M ⁽¹⁾	\$ 17.0	\$ 14.8	\$ 35.7	\$ 40.7
Backlog (as at September 30)	\$ 5,119.8	\$ 5,418.0	\$ 5,119.8	\$ 5,418.0
Booking-to-revenue ratio (%) ⁽¹⁾	37%	21%	31%	21%

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

O&M revenues were \$114.8 million in the third quarter of 2023, compared to \$124.3 million in the third quarter of 2022, a 7.6% decrease. This decrease was primarily due to a major contract completion in the first quarter of 2023, partially offset by a higher level of additional services on existing contracts. Excluding the effect of foreign currency changes, O&M organic revenue contraction (a non-IFRS financial measure described in Section 9) was 8.4% when compared to the same period in 2022.

O&M revenues were \$339.7 million for the first nine months of 2023, compared to \$365.6 million for the first nine months of 2022, a 7.1% decrease. This decrease was mainly due to a major contract completion in the first quarter of 2023. Excluding the effect of foreign currency changes, O&M organic revenue contraction (a non-IFRS financial measure described in Section 9) was 8.3% when compared to the same period in 2022.

In the third quarter of 2023, Segment Adjusted EBIT from O&M was \$16.3 million (Segment Adjusted EBITDA of \$17.0 million), compared to a Segment Adjusted EBIT of \$15.8 million (Segment Adjusted EBITDA of \$14.8 million) in the third quarter of 2022, mainly due to the favourable impact of revised cost estimates on the closing out of a major contract and contract profitability mix.

For the first nine months of 2023, Segment Adjusted EBIT from O&M was \$33.6 million (Segment Adjusted EBITDA of \$35.7 million), compared to a Segment Adjusted EBIT of \$38.9 million (Segment Adjusted EBITDA of \$40.7 million) for the first nine months of 2022, a decrease mainly due to lower revenues for first nine months of 2023 and increased bidding expenses.

4.1.4.4 LINXON

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from Linxon	\$ 140.1	\$ 123.1	\$ 403.9	\$ 427.3
Segment Adjusted EBIT from Linxon	\$ 0.4	\$ 2.3	\$ 3.0	\$ 4.4
Segment Adjusted EBIT to revenues ratio from Linxon (%)	0.3%	1.9%	0.7%	1.0%
Additional information				
Segment Adjusted EBITDA from Linxon ⁽¹⁾	\$ 1.4	\$ 3.2	\$ 5.8	\$ 7.4
Segment Adjusted EBITDA to segment net revenue from Linxon ratio (%) ⁽¹⁾	1.3%	3.2%	1.9%	2.1%
Backlog (as at September 30)	\$ 1,204.7	\$ 763.8	\$ 1,204.7	\$ 763.8
Booking-to-revenue ratio (%) ⁽¹⁾	276%	52%	180%	51%

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

Linxon revenues were \$140.1 million in the third quarter of 2023, compared to \$123.1 million in the third quarter of 2022, a 13.8% increase, mainly due to a higher level of activity in the Middle East and progress on projects in Europe and Asia Pacific, partially offset by the lower level of activity in the United States due to projects nearing completion. Excluding the effect of foreign currency changes, Linxon organic revenue growth (a non-IFRS financial measure described in Section 9) was 9.8% when compared to the same period in 2022.

Linxon revenues were \$403.9 million for the first nine months of 2023, compared to \$427.3 million for the first nine months of 2022, a 5.5% decrease mainly due to a lower level of activity primarily due to projects in the United States, Asia Pacific and Europe nearing completion, partially offset by an increase in the level of activity in the Middle East. Excluding the effect of foreign currency changes, Linxon organic revenue contraction (a non-IFRS financial measure described in Section 9) was 7.7% when compared to the same period in 2022. Linxon backlog increased to \$1,204.7 million as at September 30, 2023 compared to \$763.8 million on September 30, 2022, mainly from new projects in the United States, the Middle East and Asia Pacific.

In the third quarter of 2023, Segment Adjusted EBIT from Linxon was \$0.4 million (Segment Adjusted EBITDA \$1.4 million), compared to a Segment Adjusted EBIT of \$2.3 million (Segment Adjusted EBITDA of \$3.2 million) in the third quarter of 2022. The Segment Adjusted EBIT in the third quarter of 2023 was negatively impacted by an unfavourable reforecast on a major project nearing completion in the United States and lower contributions from certain projects nearing completion.

For the first nine months of 2023, Segment Adjusted EBIT from Linxon was \$3.0 million (Segment Adjusted EBITDA \$5.8 million), compared to a Segment Adjusted EBIT of \$4.4 million (Segment Adjusted EBITDA of \$7.4 million) for the first nine months of 2022. The Segment Adjusted EBIT for the first nine months of 2023 was negatively impacted by lower revenues and an unfavourable reforecast on a major project nearing completion in the United States, while the Segment Adjusted EBIT for the first nine months of 2022 reflected project delays and higher costs on a European project installation.

Segment Adjusted EBITDA to segment net revenue from Linxon ratio was 1.3% in the third quarter of 2023, compared to 3.2% in the third quarter of 2022, mainly due to a lower level of Segment Adjusted EBITDA in the third quarter of 2023. Refer to Section 9.4.6 for the calculation of this ratio.

Segment Adjusted EBITDA to segment net revenue from Linxon ratio was 1.9% for the first nine months of 2023, compared to 2.1% for the first nine months of 2022, due to a decrease in Segment Adjusted EBITDA, partially offset by a decrease in segment net revenue in the first nine months of 2023. Refer to Section 9.4.6 for the calculation of this ratio.

4.1.4.5 LSTK PROJECTS

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from LSTK Projects	\$ 127.6	\$ 216.9	\$ 442.1	\$ 680.7
Segment Adjusted EBIT from LSTK Projects	\$ (13.2)	\$ (43.9)	\$ (35.0)	\$ (111.1)
Segment Adjusted EBIT to revenues ratio from LSTK Projects (%)	(10.3)%	(20.3)%	(7.9)%	(16.3)%
Additional information				
Segment Adjusted EBITDA from LSTK Projects ⁽¹⁾	\$ (8.9)	\$ (34.9)	\$ (22.2)	\$ (91.5)
Backlog (as at September 30)	\$ 305.2	\$ 663.9	\$ 305.2	\$ 663.9

⁽¹⁾ Non-IFRS financial measure or ratio or supplementary financial measure. Please refer to Section 9 for further information on these measures and for the reference to the reconciliation of these financial measures to the most directly comparable measure specified under IFRS, when applicable.

LSTK Projects revenues were \$127.6 million in the third quarter of 2023, compared to \$216.9 million in the third quarter of 2022, as the LSTK projects backlog continued to reduce as part of the Company's strategy to exit this segment of business. The LSTK Projects backlog decreased by 54.0% from September 30, 2022 to September 30, 2023.

LSTK Projects revenues were \$442.1 million for the first nine months of 2023, compared to \$680.7 million for the first nine months of 2022, for the same reason stated above.

The Segment Adjusted EBIT from LSTK Projects was negative \$13.2 million (negative Segment Adjusted EBITDA of \$8.9 million) in the third quarter of 2023, compared to a negative Segment Adjusted EBIT of \$43.9 million (negative Segment Adjusted EBITDA of \$34.9 million) in the third quarter of 2022. **The Segment Adjusted EBIT from LSTK Projects was negative \$35.0 million (negative Segment Adjusted EBITDA of \$22.2 million) for the first nine months of 2023**, compared to a negative Segment Adjusted EBIT of \$111.1 million (negative Segment Adjusted EBITDA of \$91.5 million) for the first nine months of 2022.

The negative Segment Adjusted EBIT in both the third quarter of 2023 and the first nine months of 2023 was mainly due to segment overhead costs from the ongoing efforts to bring the remaining projects to completion. The negative Segment Adjusted EBIT in both the third quarter of 2022 and the first nine months of 2022 was mainly due to unfavourable cost reforecasts on certain major projects.

4.1.4.6 CAPITAL

(IN MILLIONS \$)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenues from Capital	\$ 28.9	\$ 29.5	\$ 74.7	\$ 59.8
Segment Adjusted EBIT from Capital investments:				
From Highway 407 ETR	10.1	13.5	20.3	13.5
From other Capital investments ⁽¹⁾	12.6	11.3	37.8	34.6
Segment Adjusted EBIT from Capital	\$ 22.8	\$ 24.8	\$ 58.1	\$ 48.1

⁽¹⁾ Segment Adjusted EBIT from other Capital investments is net of divisional and allocated corporate selling, general and administrative expenses, as well as selling, general and administrative expenses from all other capital investments accounted for by the consolidation method.

Revenues from Capital in the third quarter of 2023 amounted to \$28.9 million, compared to \$29.5 million in the third quarter of 2022. The decrease in revenues in the third quarter of 2023 was mainly due to a lower dividend received from Highway 407 ETR, partially offset by higher contributions from certain investments in the third quarter of 2023 compared to the third quarter of 2022.

Revenues from Capital for the first nine months of 2023 increased to \$74.7 million, compared to \$59.8 million for the first nine months of 2022, mainly due to higher dividends received from Highway 407 ETR combined with higher contributions from certain investments in the first nine months of 2023 compared to the first nine months of 2022.

Segment Adjusted EBIT from Capital amounted to \$22.8 million in the third quarter of 2023, compared to \$24.8 million in the third quarter of 2022. The decrease was driven by the same reasons stated for revenues in the third quarter of 2023 above.

Segment Adjusted EBIT from Capital increased to \$58.1 million for the first nine months of 2023, compared to \$48.1 million for the first nine months of 2022. The increase was driven by the same reasons stated for revenues in the first nine months of 2023 above.

It should be noted that Segment Adjusted EBIT for the first nine months of 2022 excludes \$4.3 million of gain before income taxes from the disposal of InPower BC G.P. (refer to Note 5A to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

5

Backlog (Remaining Obligations) Performance

Backlog is defined as a forward-looking indicator of anticipated revenues to be recognized by the Company, determined based on contract awards that are firm and amounting to the transaction price allocated to remaining performance obligations. Management may be required to make estimates regarding the revenue to be generated from certain contracts.

Revenue backlog is derived primarily from three major types of contracts: **Reimbursable and engineering services contracts, standardized EPC contracts and LSTK construction contracts.**

- Reimbursable and engineering services contracts:** Reimbursable and engineering services contracts include all revenue-generating contracts of the Company, except standardized EPC contracts and LSTK construction contracts described below. Under reimbursable contracts, the Company charges the customer for the actual cost incurred plus a mark-up that could take various forms, such as a fixed-fee per unit, a percentage of costs incurred or an incentive fee based on achieving certain targets, performance factors or contractual milestones. Reimbursable contracts also include unit-rate contracts for which a fixed amount per quantity is charged to the customer, and reimbursable contracts with a cap or a target price accompanied by incentives and/or disincentives. Engineering services contracts include time and material agreements based on hourly rates and fixed-price lump-sum contracts with limited procurement or construction risks. Reimbursable and engineering services contracts also include all O&M contracts, most of which are fixed-price agreements subject to price-adjustment clauses such as inflation-driven indexation.
- Standardized EPC contracts:** Under standardized EPC contracts, the Company provides repetitive EPC offerings that are lower-risk, standardized solutions for: i) district cooling plants; and ii) power substations executed through its Linxon subsidiary.
- LSTK construction contracts:** Under LSTK construction contracts, the Company completes the work required for the project at a lump-sum price. Before entering into such contracts, the Company estimates the total cost of the project, plus a profit margin. The Company's actual profit margin may vary based on its ability to achieve the project requirements at above or below the initial estimated costs. Although these projects are at a lump-sum price, the amount of associated revenue could nevertheless vary based on change orders, claims or other contract modifications, negotiated or otherwise awarded, which might take various forms. Projects in this category were all initiated as lump-sum contracts, and while in some cases have been modified to change their lump-sum risk exposure, continue to be presented in this category.

REVENUE BACKLOG BY SEGMENT

The following table provides a breakdown of revenue backlog by segment.

(IN MILLIONS \$) BY SEGMENT	SEPTEMBER 30 2023	DECEMBER 31 2022	SEPTEMBER 30 2022
Engineering Services	\$ 5,123.0	\$ 4,662.1	\$ 4,622.9
Nuclear	1,053.1	936.6	859.0
O&M	5,119.8	5,353.9	5,418.0
Linxon	1,204.7	881.8	763.8
AtkinsRéalis Services – Total	\$ 12,500.5	\$ 11,834.4	\$ 11,663.7
LSTK Projects	\$ 305.2	\$ 685.5	\$ 663.9
PS&PM – Total	\$ 12,805.7	\$ 12,519.9	\$ 12,327.7
Capital ⁽¹⁾	\$ 24.0	\$ 31.6	\$ 34.3
Total	\$ 12,829.7	\$ 12,551.4	\$ 12,362.0

⁽¹⁾ Backlog from Capital represents the amount that will be recognized as revenue from contracts with customers in the Capital segment from a concession.

The Company's revenue backlog amounted to \$12.8 billion as at September 30, 2023, compared to \$12.6 billion as at December 31, 2022, as the increase in Engineering Services, Linxon and Nuclear was partially offset mainly by a decrease in LSTK Projects, and O&M.

BACKLOG BY TYPES OF CONTRACTS

The following tables show the amounts and proportions of reimbursable and engineering services contracts, standardized EPC contracts and LSTK construction contracts included in each segment's backlog as at September 30, 2023, December 31, 2022 and September 30, 2022:

AT SEPTEMBER 30, 2023 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS		STANDARDIZED EPC CONTRACTS		LSTK CONSTRUCTION CONTRACTS	
BY SEGMENT						
Engineering Services	\$ 5,032.4	98%	\$ 90.6	2%	\$ —	—%
Nuclear	1,053.1	100%	—	—%	—	—%
O&M	5,119.8	100%	—	—%	—	—%
Linxon	4.5	—%	1,200.2	100%	—	—%
AtkinsRéalis Services – Total	\$ 11,209.7	90%	\$ 1,290.8	10%	\$ —	—%
LSTK Projects	\$ —	—%	\$ —	—%	\$ 305.2	100%
PS&PM – Total	\$ 11,209.7	88%	\$ 1,290.8	10%	\$ 305.2	2%
Capital	\$ 24.0	100%	\$ —	—%	\$ —	—%
Total	\$ 11,233.7	88%	\$ 1,290.8	10%	\$ 305.2	2%

AT DECEMBER 31, 2022 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS		STANDARDIZED EPC CONTRACTS		LSTK CONSTRUCTION CONTRACTS	
BY SEGMENT						
Engineering Services	\$ 4,610.5	99%	\$ 51.6	1%	\$ —	—%
Nuclear	932.3	100%	—	—%	4.2	—%
O&M	5,353.9	100%	—	—%	—	—%
Linxon	6.4	1%	875.5	99%	—	—%
AtkinsRéalis Services – Total	\$ 10,903.1	92%	\$ 927.0	8%	\$ 4.2	—%
LSTK Projects	\$ —	—%	\$ —	—%	\$ 685.5	100%
PS&PM – Total	\$ 10,903.1	87%	\$ 927.0	7%	\$ 689.7	6%
Capital	\$ 31.6	100%	\$ —	—%	\$ —	—%
Total	\$ 10,934.7	87%	\$ 927.0	7%	\$ 689.7	5%

AT SEPTEMBER 30, 2022 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS		STANDARDIZED EPC CONTRACTS		LSTK CONSTRUCTION CONTRACTS	
BY SEGMENT						
Engineering Services	\$ 4,577.2	99%	\$ 45.8	1%	\$ —	—%
Nuclear	851.9	99%	—	—%	7.2	1%
O&M	5,418.0	100%	—	—%	—	—%
Linxon	44.0	6%	719.7	94%	—	—%
AtkinsRéalis Services – Total	\$ 10,891.1	93%	\$ 765.5	7%	\$ 7.2	—%
LSTK Projects	\$ —	—%	\$ —	—%	\$ 663.9	100%
PS&PM – Total	\$ 10,891.1	88%	\$ 765.5	6%	\$ 671.1	5%
Capital	\$ 34.3	100%	\$ —	—%	\$ —	—%
Total	\$ 10,925.4	88%	\$ 765.5	6%	\$ 671.1	5%

6 Liquidity and Capital Resources

This section has been prepared to provide the reader with a better understanding of the major components of the Company's liquidity and capital resources and has been structured as follows:

- A **cash flow analysis**, providing details on how the Company generated and used its cash and cash equivalents;
- A presentation of the Company's **capital resources**;
- An update on the Company's **debt and financing agreements** and a presentation of its **capital management indicators**;
- An update on the Company's **credit ratings**;
- A presentation of the Company's **dividends declared** and **normal course issuer bid**;
- A review of the Company's **contractual obligations** and **financial instruments**, which provides additional information for a better understanding of the Company's financial situation; and
- A review of the Company's **financial position** as at September 30, 2023, compared to its financial position as at December 31, 2022.

6.1 CASH FLOW ANALYSIS

SUMMARY OF CASH FLOWS

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023	2022
Cash flows generated from (used for):		
Operating activities	\$ (206.8)	\$ (421.4)
Investing activities	34.7	(118.8)
Financing activities	166.9	410.9
Increase (decrease) from exchange differences on translating cash and cash equivalents	(1.5)	1.2
Net decrease in cash and cash equivalents	\$ (6.8)	\$ (128.0)
Cash and cash equivalents at beginning of period ⁽¹⁾	570.3	610.6
Cash and cash equivalents at end of period	\$ 563.5	\$ 482.6

⁽¹⁾ The amount of \$610.6 million as at December 31, 2021 included \$2.2 million of cash and cash equivalents comprised within "Assets of disposal group classified as held for sale".

Cash and cash equivalents decreased by \$6.8 million for the first nine months of 2023, compared to a decrease of \$128.0 million for the first nine months of 2022, as discussed further below.

OPERATING ACTIVITIES

Net cash used for operating activities totaled \$206.8 million for the first nine months of 2023, compared to net cash used for operating activities of \$421.4 million for the first nine months of 2022, a variance reconciled as follows:

(IN MILLIONS \$)	NINE-MONTH PERIOD
Net cash used for operating activities for the first nine months of 2022	\$ (421.4)
Changes between the first nine months of 2023 and the first nine months of 2022:	
Increase in net income	131.8
Decrease in income taxes paid	6.9
Increase in income tax expense recognized in net income	15.5
Increase in net financial expenses recognized in net income	71.7
Decrease in depreciation and amortization	(7.1)
Increase in interest paid	(46.7)
Increase in income from Capital investments accounted for by the equity method	(14.7)
Increase in dividends and distributions received from Capital investments accounted for by the equity method	10.0
Increase in expense recognized in respect of cash-settled share-based payment arrangements	49.0
Higher net change in provisions related to forecasted losses on certain contracts	(10.2)
Variance from loss (gain) on disposals of PS&PM businesses	(53.7)
DPCP Remediation Agreement expense in 2022	(27.4)
Decrease in payments related to federal charges settlement (PPSC) and DPCP Remediation Agreement	4.9
Net change in loss (gain) arising on financial instruments at fair value through profit or loss	(11.6)
Variance from net change in other provisions	(16.5)
Other items	50.8
Changes in net cash used for operating activities before net change in non-cash working capital items	\$ 152.7
Variance from net change in non-cash working capital items	61.9
Net cash used for operating activities for the first nine months of 2023	\$ (206.8)

- **Net cash generated from operating activities before net change in non-cash working capital items totaled \$176.5 million for the first nine months of 2023**, compared to \$23.9 million for the first nine months of 2022.
- As detailed in Note 9C to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022, **net change in non-cash working capital items used net cash of \$383.4 million for the first nine months of 2023**, compared to net cash used of \$445.2 million for the first nine months of 2022. This difference reflected a favourable variance in trade payables and accrued liabilities, contract liabilities, other current non-financial liabilities and other current financial liabilities, partially offset by an unfavourable variance mainly in trade receivables, contract assets and other current non-financial assets.
- From a business line perspective, AtkinsRéalis Services generated \$347.6 million of net cash from operating activities for the first nine months of 2023 compared to \$213.0 million generated for the first nine months of 2022, while LSTK Projects used \$290.2 million of net cash for operating activities for the first nine months of 2023 compared to \$369.0 million used for the first nine months of 2022. The remaining balance of net cash used for operating activities relates to Capital, corporate activities and items not allocated to the Company's segments. Net cash generated from (used for) operating activities on a line of business/segment basis is a supplementary financial measure. An explanation of the composition of this supplementary financial measure is provided in Section 9.2.

INVESTING ACTIVITIES

Net cash generated from investing activities amounted to \$34.7 million for the first nine months of 2023, compared to net cash used for investing activities of \$118.8 million for the first nine months of 2022, a variance reconciled as follows:

(IN MILLIONS \$)	NINE-MONTH PERIOD
Net cash used for investing activities for the first nine months of 2022	\$ (118.8)
Changes between the first nine months of 2023 and the first nine months of 2022:	
Decrease in acquisition of property and equipment	7.7
Decrease in payments for Capital investments	39.6
Refunds for Capital investments in the third quarter of 2022	(11.8)
Favourable variance in change in restricted cash position	14.1
Higher increase in receivables under service concession arrangements, net of recovery	(42.0)
Net cash inflow in the first quarter of 2022 on disposal of a Capital investment accounted for by the consolidation method	(40.5)
Variance in net cash inflow (outflow) on disposals of PS&PM businesses	147.8
Net cash inflow in the third quarter of 2023 on disposal of a Capital investment at fair value through other comprehensive income	34.3
Other items	4.3
Net cash generated from investing activities for the first nine months of 2023	\$ 34.7

- **For the first nine months of 2023, payments for Capital investments amounted to nil**, compared to \$39.6 million for the first nine months of 2022. The payments made for the first nine months of 2022 included contributions made by the Company to Carlyle Global Infrastructure Opportunity Fund, L.P. (“Carlyle”) prior to the sale by the Company of its ownership interest in such fund in the fourth quarter of 2022.
- The net cash inflow from disposal of a Capital investment accounted for by the consolidation method of \$40.5 million for the first nine months of 2022 relates to the disposal of InPower BC G.P. during the same period.
- The variance in net cash inflow (outflow) on disposal of PS&PM businesses relates primarily to proceeds from the disposal of the Company’s Scandinavian Engineering Services business received in the third quarter of 2023 (refer to Note 15A to the Company’s unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).
- In the third quarter of 2023, the Company collected the remaining balance of the consideration receivable for the disposal in 2022 of its ownership interest in Carlyle, which was a Capital investment at fair value through other comprehensive income until its disposal. This consideration received was US\$25.5 million (approximately CA\$34.3 million) (refer to Note 5A to the Company’s unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022).

FINANCING ACTIVITIES

Net cash generated from financing activities totaled \$166.9 million for the first nine months of 2023, compared to net cash generated from financing activities of \$410.9 million for the first nine months of 2022, a variance reconciled as follows:

(IN MILLIONS \$)	NINE-MONTH PERIOD	
Net cash generated from financing activities for the first nine months of 2022	\$	410.9
Changes between the first nine months of 2023 and the first nine months of 2022:		
Higher repayment of recourse debt and payment for debt issue costs		(301.1)
Higher increase in recourse debt		90.6
Higher repayment of non-recourse debt		(18.8)
Lower payment of lease liabilities		3.1
Other items		(17.8)
Net cash generated from financing activities for the first nine months of 2023	\$	166.9

- The changes in cash flows related to financing activities between the first nine months of 2023 and 2022 were primarily explained by the elements in the table above. Notably, in the first quarter of 2023, the Company repaid in full at maturity the Series 4 Debentures for an aggregate principal amount of \$200.0 million.
- The Company also provides a reconciliation between the opening and closing balances in its statement of financial position for liabilities arising from financing activities for the nine-month periods ended September 30, 2023 and 2022 in Note 9D to its unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022.
- The Company did not issue and did not repurchase any shares during either of the first nine months of 2023 or 2022. The number of common shares outstanding as at October 31, 2023 was 175,554,252, while 1,067,695 stock options were outstanding as at the same date.
- **Dividends paid to AtkinsRéalis shareholders during the first nine months of 2023 amounted to \$10.5 million**, unchanged from the amount of dividends paid in the corresponding period of 2022.

FREE CASH FLOW (USAGE)

Free cash flow (usage), a non-IFRS measure, is calculated as follows:

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023		2022	
Net cash used for operating activities	\$	(206.8)	\$	(421.4)
Payments related to federal charges settlement (PPSC) and DPCP Remediation Agreement included in operating activities above		26.5		31.4
Acquisition of property and equipment		(68.3)		(75.9)
Payment of lease liabilities		(60.5)		(63.6)
Free cash flow (usage)⁽¹⁾	\$	(309.1)	\$	(529.5)

⁽¹⁾ Non-IFRS financial measure. Please refer to Section 9 for further information on this financial measure.

The Company's free cash flow usage was \$309.1 million for the first nine months of 2023, compared to free cash flow usage of \$529.5 million for the first nine months of 2022, mainly reflecting a lower level of net cash used for operating activities for the first nine months of 2023 compared to the level of net cash used for operating activities for the corresponding period of 2022.

6.2 CAPITAL RESOURCES

(IN MILLIONS \$)	SEPTEMBER 30 2023	DECEMBER 31 2022
Cash and cash equivalents	\$ 563.5	\$ 570.3
Unused portion of committed Revolving Credit Facility ^{(1), (2)}	\$ 1,018.3	\$ 1,633.3

⁽¹⁾ Including cash draws and letters of credit issued on a committed basis, but excluding bilateral letters of credit that can be issued on a non-committed basis.

⁽²⁾ Before considering potential limitations resulting from contractual covenants.

As at September 30, 2023, the Company had cash and cash equivalents totaling \$563.5 million, compared to \$570.3 million as at December 31, 2022.

Furthermore, as at September 30, 2023, the Company had a committed Revolving Credit Facility of \$1,800.0 million under its 2022 Credit Agreement (December 31, 2022: \$2,000 million), of which \$1,018.3 million was unused (December 31, 2022: \$1,633.3 million), and uncommitted credit facilities by way of bilateral letters of credit.

While liquidity remains subject to numerous risks, uncertainties and limitations, including but not limited to the risks described in Section 14 of the 2022 Annual MD&A and in this Section, the Company believes that its current liquidity position, including its cash position, unused credit capacity and cash generated from its operations, should be sufficient to fund its operations over the foreseeable future. See also Section 14, “Risks and Uncertainties” of the 2022 Annual MD&A, for a more specific overview of the risks and uncertainties relating to the Company.

In addition, due to the nature of the Company’s activities and the fact that its operations are conducted through multiple entities and joint arrangements on an international level, the Company’s cash and cash equivalents are distributed across numerous locations. In order to manage its cash needs and reserves, the Company is part of various cash pooling agreements with financial institutions and may transfer cash balances between subsidiaries and joint arrangements, and use credit facilities to meet the capital requirements of certain projects or other cash disbursements.

6.3 DEBT AND FINANCING AGREEMENTS

FINANCIAL COVENANTS

The Company was required to maintain, as at September 30, 2023, a ratio of net recourse debt to EBITDA (as defined under the relevant agreements) not to exceed: (a) 3.75x under the Company’s 2022 Credit Agreement; and (b) 3.50x under the loan agreement, dated as of April 20, 2017, between AtkinsRéalis Highway Holding Inc. (previously SNC-Lavalin Highway Holdings Inc.), an indirect wholly-owned subsidiary of the Company, and CDPQ RF, a wholly-owned subsidiary of Caisse de dépôt et placement du Québec (as amended, restated or otherwise modified, from time to time, the “CDPQ Loan Agreement” and the limited recourse loan established thereunder, the “CDPQ Loan”). The Company was in compliance with these covenants as at September 30, 2023.

The terms “net recourse debt” and “EBITDA” are defined in the 2022 Credit Agreement and in the CDPQ Loan Agreement and do not correspond to the similarly labelled financial measures used in this MD&A. Furthermore, the covenant ratio is calculated using certain financial information not disclosed in the Company’s unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022 or in this MD&A, or not considered recourse debt in these documents.

REPAYMENT OF SERIES 4 DEBENTURES

In the first quarter of 2023, the Company repaid in full at maturity the Series 4 Debentures for an aggregate principal amount of \$200.0 million.

HEDGING OF A PORTION OF THE TERM LOAN

In the first quarter of 2023, the Company entered into an interest rate swap agreement with a financial institution related to its unsecured non-revolving variable interest bearing term loan in the aggregate principal amount of \$500 million (the “Term Loan”). Under this interest rate swap agreement, the Company pays interest at a fixed rate and receives interest at a variable rate on a total notional amount of \$125 million. This interest rate swap agreement is similar to agreements related to the Term Loan entered into in the third quarter of 2022 for a notional amount of \$250 million. All these interest rate swap agreements will expire in April 2025 and are subject to hedge accounting as being part of cash flow hedges.

AMENDMENTS TO THE 2022 CREDIT AGREEMENT

In the second quarter of 2023, the Company entered into an agreement with its lenders to extend the maturity of its 2022 Credit Agreement from May 13, 2025 to May 31, 2026. As a result of this agreement, the notional amount of Tranche A of the revolving credit facility is \$1,350.0 million until May 13, 2025 and \$1,315.1 million thereafter and until May 31, 2026, the notional amount of Tranche B of the revolving credit facility is \$450.0 million until May 13, 2025 and \$438.4 million thereafter and until May 31, 2026, and the notional amount of the Term Loan remains at \$500.0 million until May 31, 2026.

AMENDMENTS TO THE CDPQ LOAN

In the third quarter of 2023, the Company entered into an agreement with CDPQ RF mainly to extend the maturity of its CDPQ Loan from July 2024 to July 2026. The notional amount of the CDPQ Loan remains at \$400.0 million until July 2026.

AMENDMENT TO THE UNSECURED LOAN OF LINXON

In the third quarter of 2023, the Company entered into an agreement with the holder of the non-controlling interest of 49% in Linxon to extend the maturity of the interest-free loan in the principal amount of US\$9.3 million (approximately CA\$12.5 million) from September 1, 2023 to September 1, 2024.

6.4 CAPITAL MANAGEMENT INDICATORS

The Company periodically monitors capital using certain ratios, which are described further below.

NET LIMITED RECOURSE AND RECOURSE DEBT TO ADJUSTED EBITDA RATIO

Net limited recourse and recourse debt to Adjusted EBITDA is a non-IFRS ratio used to analyze the Company’s financial leverage. Such ratio does not correspond to the financial covenant ratio discussed in Section 6.3. It is calculated by comparing the net limited recourse and recourse debt at the end of a given period with Adjusted EBITDA of the corresponding trailing twelve-month period, as follows:

(IN MILLIONS \$, EXCEPT FOR RATIO)	SEPTEMBER 30 2023	DECEMBER 31 2022
Limited recourse debt	\$ 398.1	\$ 400.0
Recourse debt	1,731.4	1,470.6
Less:		
Cash and cash equivalents	563.5	570.3
Net limited recourse and recourse debt ⁽¹⁾	\$ 1,566.0	\$ 1,300.3
Adjusted EBITDA (trailing 12 months) ⁽¹⁾	\$ 587.0	\$ 453.0
Net limited recourse and recourse debt to Adjusted EBITDA ratio ⁽¹⁾	2.7	2.9

⁽¹⁾ Non-IFRS financial measure or ratio. Please refer to Section 9 for further information on these financial measures.

While the level of limited recourse debt and cash and cash equivalents remained substantially unchanged as at September 30, 2023 compared to December 31, 2022, the increase in recourse debt during the same period

resulted in a higher level of net limited recourse and recourse debt as at September 30, 2023 compared to December 31, 2022. When considering the higher level of Adjusted EBITDA for the 12-month period ended September 30, 2023 compared to the 12-month period ended December 31, 2022, the net limited recourse and recourse debt to Adjusted EBITDA ratio decreased to 2.7 as at September 30, 2023, from 2.9 as at December 31, 2022.

RETURN ON AVERAGE SHAREHOLDERS' EQUITY ("ROASE")

ROASE is a supplementary financial measure. A definition of this supplementary financial measure is provided in Section 9. **ROASE was 4.3% for the 12-month period ended September 30, 2023**, compared to 0.3% for the corresponding period of 2022.

6.5 CREDIT RATINGS

On April 12, 2023, S&P affirmed the Company's credit rating at BB+ and revised its outlook from stable to negative. Issue-level ratings have also been affirmed at BB+.

On April 17, 2023, DBRS Limited affirmed the Company's rating at BB (high) with stable trends. Issue-level ratings have also been affirmed at BB (high).

6.6 DIVIDENDS DECLARED

Quarterly cash dividends of \$0.02 per share were declared on March 3, 2023, May 9, 2023 and August 3, 2023 and were paid on March 31, 2023, June 6, 2023 and August 31, 2023, respectively, compared with quarterly cash dividends of \$0.02 per share declared on March 3, 2022, May 5, 2022 and August 4, 2022, and paid on March 31, 2022, June 2, 2022 and September 1, 2022, respectively.

6.7 NORMAL COURSE ISSUER BID

On March 3, 2023, the Company announced that it had received the required regulatory approval from the Toronto Stock Exchange ("TSX") for its normal course issuer bid ("NCIB") to purchase for cancellation up to 1,500,000 common shares over the twelve-month period commencing on March 8, 2023 and ending no later than March 7, 2024. The Company did not repurchase any shares under its NCIB in the first nine months of 2023.

6.8 CONTRACTUAL OBLIGATIONS

Details of the Company's various contractual obligations are provided in Section 8.8 of the Company's 2022 Annual MD&A. In the first nine months of 2023, there was no material change to the Company's contractual obligations, saved as described herein.

6.9 FINANCIAL INSTRUMENTS

The nature and extent of risks arising from financial instruments, and their related risk management, are described in Note 30 to the 2022 Annual Financial Statements and updated as needed in Note 11 to the unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022. In the first nine months of 2023, there was no material change to the nature of risks arising from financial instruments, related risk management or classification of financial instruments other than the hedging of a portion of the Term Loan described in Section 6.3 above. Furthermore, there was no change in the methodology used to determine the fair value of the financial instruments that are measured at fair value on the Company's consolidated statement of financial position.

6.10 FINANCIAL POSITION

The following is an analysis of the changes to the Company's financial position between December 31, 2022 and September 30, 2023.

(IN MILLIONS \$)	SEPTEMBER 30 2023	DECEMBER 31 2022	CHANGE (\$)	EXPLANATIONS
Current assets	\$ 4,005.0	\$ 3,361.6	\$ 643.4	The increase in current assets was mainly due to an increase in contract assets, trade receivables, other current financial assets and other current non-financial assets, partially offset, mainly by a decrease in restricted cash.
Non-current assets	6,141.0	6,098.4	42.6	The increase in non-current assets was mainly due to an increase in the non-current portion of receivables under service concession arrangements and in deferred income tax asset, partially offset mainly by a decrease in intangible assets related to business combinations mainly due to amortization, combined with a decrease in goodwill mainly due to the disposal of the Company's Scandinavian Engineering Services business as well as in right-of-use assets.
Total assets	\$ 10,146.0	\$ 9,460.0	\$ 686.0	
Current liabilities	\$ 4,861.4	\$ 3,934.7	\$ 926.7	The increase in current liabilities was due to an increase in the short-term recourse debt and current portion of long-term recourse debt, trade payables and accrued liabilities, contract liabilities, other current financial liabilities and other current non-financial liabilities, partially offset mainly by a decrease in the current portion of provisions.
Non-current liabilities	2,200.3	2,646.2	(445.9)	The decrease in non-current liabilities was mainly due to a decrease in long-term recourse debt due to the classification of certain debentures as part of current liabilities combined with a decrease in other non-current financial liabilities, non-current portion of provisions and non-current portion of lease liabilities.
Total liabilities	\$ 7,061.7	\$ 6,580.9	\$ 480.8	
Equity attributable to AtkinsRéalis shareholders	\$ 3,074.1	\$ 2,869.5	\$ 204.6	The increase was mainly due to the net income for the period.
Non-controlling interests	10.1	9.6	0.5	Not a significant change compared to December 31, 2022.
Total equity	\$ 3,084.3	\$ 2,879.1	\$ 205.2	
Total liabilities and equity	\$ 10,146.0	\$ 9,460.0	\$ 686.0	

WORKING CAPITAL

(IN MILLIONS \$, EXCEPT CURRENT RATIO)	SEPTEMBER 30 2023	DECEMBER 31 2022	CHANGE (\$)	EXPLANATIONS
Working Capital ⁽¹⁾	\$ (856.4)	\$ (573.1)	\$ (283.3)	The decrease in working capital was mainly due to an increase in the short-term recourse debt and current portion of long-term recourse debt, contract liabilities, trade payables and accrued liabilities, other current financial liabilities and other current non-financial liabilities, partially offset mainly by an increase in contract assets, trade receivables, other current financial assets and other current non-financial assets. combined with a decrease in the current portion of provisions.
Current Ratio ⁽¹⁾	0.82	0.85	(0.03)	

⁽¹⁾ Supplementary IFRS financial measures. Please refer to Section 9 for further information on these financial measures.

7 Related Party Transactions

The Company discloses information on its related party transactions, as defined in IAS 24, *Related Party Disclosures*, in Note 10 to its unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022.

8 Accounting Policies and Changes

Please refer to Note 2 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022 for more information regarding the Company's disclosure on accounting policies and changes.

9 Non-IFRS Financial Measures and Ratios, Supplementary Financial Measures and Non-Financial Information

The following section provides information regarding non-IFRS financial measures and ratios, supplementary financial measures and non-financial information used by the Company to analyze and evaluate its results. These measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, these measures provide additional insight into the Company's operating performance and financial position and certain investors may use this information to evaluate the Company's performance from period to period. However, these measures have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Furthermore, certain non-IFRS financial measures and ratios, supplementary financial measures and other non-financial information are presented separately for PS&PM, by excluding components related to Capital, as the Company believes that such measures are useful as these PS&PM activities are usually analyzed separately by the Company.

9.1 PERFORMANCE

Adjusted diluted earnings per share ("Adjusted diluted EPS") is defined as adjusted net income (loss) attributable to AtkinsRéalis shareholders from continuing operations, divided by the diluted weighted average number of outstanding shares for the period. Adjusted diluted EPS is a non-IFRS ratio that is an indicator of the financial performance of the Company's activities and allows the Company to present adjusted net income (loss) attributable to AtkinsRéalis shareholders on a diluted share basis. Refer to [Section 9.4.1](#) for a reconciliation of Adjusted diluted EPS to diluted EPS (namely, net income (loss) per diluted share) as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities and for Capital, as the Company believes that such measures are useful since these activities are usually analyzed separately by the Company.

Adjusted EBITDA is a non-IFRS financial measure used by management to facilitate comparisons of operating performance from period to period and to prepare annual operating budgets and forecasts. Adjusted EBITDA is based on EBITDA from continuing operations and excludes, when applicable to any given period, charges related to restructuring and transformation costs, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals) and the DPCP Remediation Agreement expense. It should be noted that the reversal of impairment loss (impairment loss) on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell was removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current and prior year periods. The Company believes that Adjusted EBITDA is useful for providing securities analysts, investors and others with additional information to assist them in understanding components of its financial results, including a more complete understanding of factors and trends affecting the Company's operating performance. Adjusted EBITDA is believed to supplement information provided, as it highlights trends that may not otherwise be apparent when relying solely on IFRS financial measures. Refer to [Section 9.4.2](#) for a reconciliation of Adjusted EBITDA to net income (loss) from continuing operations as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities and for Capital (all adjustments listed above apply to PS&PM activities, except for the gains (losses) on disposals of Capital investments (or adjustments to gains or losses on such disposals), which only apply to Capital), as the Company believes that such measures are useful since these activities are analyzed separately by the Company.

Adjusted net income (loss) attributable to AtkinsRéalis shareholders is a non-IFRS financial measure and is defined as net income (loss) attributable to AtkinsRéalis shareholders from continuing operations, adjusted for certain specific items that are significant but are not, based on management's judgement, reflective of the Company's underlying operations. These adjustments are, when applicable to any given period, restructuring and transformation costs, amortization of intangible assets related to business combinations, gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals) and the DPCP Remediation Agreement expense, as well as income taxes and non-controlling interests on these adjustments. It should be noted that the reversal of impairment loss (impairment loss) on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell was removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current and prior year periods. The Company believes that Adjusted net income (loss) attributable to AtkinsRéalis shareholders is useful for providing securities analysts, investors and others with additional information to assist them in understanding components of its financial results, including a more complete understanding of factors and trends affecting the Company's operating performance. Adjusted net income (loss) attributable to AtkinsRéalis shareholders is believed to supplement information provided, as it highlights trends that may not otherwise be apparent when relying solely on IFRS financial measures. It is also used by management to evaluate the performance of the activities of the Company from period to period. Refer to [Section 9.4.1](#) for a reconciliation of Adjusted net income (loss) attributable to AtkinsRéalis shareholders to net income (loss) attributable to AtkinsRéalis shareholders from continuing operations as determined under IFRS. Such reconciliation is provided on a consolidated basis and also separately for PS&PM activities and for Capital (all adjustments listed above apply to PS&PM activities, except gains (losses) on disposals of Capital investments (or adjustments to gains or losses on such disposals), which only apply to Capital), as the Company believes that such measures are useful since these activities are analyzed separately by the Company.

Booking-to-revenue ratio is a non-IFRS ratio that corresponds to contract bookings divided by revenues for a given period. This measure provides a useful basis for assessing the renewal of business, as it compares the value of performance obligations added in a given period to the amount of revenue recognized upon satisfying performance obligations in the same period. It should be noted that the amount of revenue used to calculate this ratio includes only revenues that are under the scope of IFRS 15, *Revenue from contracts with customers* ("IFRS 15") and are disclosed in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022. Refer to [Section 9.4.3](#) for the calculation of the booking-to-revenue ratio for selected segments in respect of which the Company believes to be the most meaningful.

EBITDA is a non-IFRS financial measure and is defined as earnings from continuing operations before net financial expenses (income), income taxes, depreciation and amortization. As such, this financial measure allows comparability of operating results from one period to another by excluding the effects of items that are usually associated with investing and financing activities. Refer to [Section 9.4.2](#) for a reconciliation of EBITDA to net income (loss) from continuing operations as determined under IFRS.

Return on Average Shareholders' Equity ("ROASE") is a supplementary financial measure and corresponds to the trailing 12-month net income (loss) attributable to AtkinsRéalis shareholders, divided by a trailing 13-month average equity attributable to AtkinsRéalis shareholders, excluding "other components of equity". The Company excludes "other components of equity" because this element of equity results in part from the translation into Canadian dollars of its foreign operations having a different functional currency, and from the accounting treatment of cash flow hedges, including its accumulated share of other comprehensive income (loss) of investments accounted for by the equity method. These amounts are not representative of the way the Company evaluates the management of its foreign currency risk and interest rate risk. The Company believes that this financial measure is useful to compare its profitability to a measure of equity that excludes certain elements prone to volatility. See [Section 6.4](#).

Segment Adjusted EBITDA is a non-IFRS financial measure derived from Segment Adjusted EBIT (defined in Note 4 to the 2022 Annual Financial Statements) and is used by management to evaluate the performance of the Company's segments but excluding certain items related to investing activities, through the exclusion of depreciation and amortization from direct costs of activities. Management believes that this measure is used by certain securities analysts and investors when comparing the Company's performance to that of its peers. See a reconciliation of Segment Adjusted EBITDA to Segment Adjusted EBIT and consolidated EBIT in [Section 9.4.4](#).

Segment Adjusted EBITDA to segment net revenue ratio for the Engineering Services and Linxon segments is a non-IFRS ratio used to analyze the profitability of the Company's segments and management believes that it facilitates period-to-period comparisons, as well as comparison with peers. This ratio is calculated by dividing the amount of Segment Adjusted EBITDA of a given period by the amount of segment net revenue for the same period. Refer to [Section 9.4.6](#) of this MD&A for the calculation of this ratio.

Segment net revenue is a non-IFRS financial measure that consists of 1) segment revenue less direct costs for sub-contractors and other direct expenses that are recoverable directly from clients for Engineering Services and 2) segment revenue less costs of equipment provided by the minority shareholder of Linxon. Management believes that this measure is used by certain securities analysts and investors when comparing the Company's performance against competitors and peer companies. Refer to [Section 9.4.6](#) of this MD&A for a quantitative reconciliation of this measure to segment revenue.

9.2 LIQUIDITY

Days Sales Outstanding ("DSO") for the Engineering Services segment is a supplementary financial measure that corresponds to the average number of days needed to convert the trade receivables and contract assets of the Engineering Services segment into cash, all using a 12-month average balance; the result is then divided by the 12-month average revenue of the segment and multiplied by 365 days, in order to calculate a number of days. The Company tracks this metric closely to ensure timely collection and healthy liquidity from the Engineering Services segment. The Company believes this measure is useful to investors as it demonstrates this segment's ability to timely convert its earned revenue into cash. See the DSO for the Engineering Services segment in [Section 4.1.4.1](#).

Free cash flow (usage) is a non-IFRS financial measure and is defined as net cash generated from (used for) operating activities less acquisition of property and equipment, and payment of lease liabilities while adding back the federal charges settlement (PPSC) and the DPCP Remediation Agreement payments included in operating activities. AtkinsRéalis believes that free cash flow (usage) provides a meaningful measure of discretionary cash generated (used) by and available to the Company to service debt, meet other payment obligations and make strategic investments, among other things. This non-IFRS measure excludes the impact of the federal charges settlement (PPSC) (refer to Note 18 to the 2022 Annual Financial Statements and to Section 14 of the 2022 Annual MD&A) and the DPCP Remediation Agreement expense (refer to Note 33 to the 2022 Annual Financial Statements) included in operating activities as the Company believes that such elements are not representative of its capacity to generate cash flow from its ongoing operations. Refer to [Section 6.1](#) for a reconciliation of free cash flow (usage) to net cash generated from (used for) operating activities.

Free cash flow (usage) to adjusted net income (loss) attributable to AtkinsRéalis shareholders ratio is a non-IFRS ratio calculated by dividing free cash flow (usage) by adjusted net income (loss) attributable to AtkinsRéalis shareholders, both non-IFRS measures. The Company believes that such ratio is useful when analyzing the ability of the Company to convert its profitability into cash. Refer to [Section 9.4.7](#) of this MD&A for the calculation of this ratio.

Net cash generated from (used for) operating activities on a line of business/segment basis is a supplementary financial measure and is identical in composition to net cash generated from (used for) operating activities as reported in the financial statements, except that it is provided on a line of business/segment basis as opposed to on a consolidated basis. As described elsewhere in this MD&A, the AtkinsRéalis Services line of business is comprised of the Engineering Services, Nuclear, O&M and Linxon segments. The Company believes that it is useful to investors to provide this supplementary financial measure on a business line/segment basis due to the importance of the AtkinsRéalis Services line of business to the Company and that it is also relevant and

useful for investors to be presented this measure for the Company's core engineering services without including items from either LSTK Projects, Capital, corporate activities and discontinued operations, as well as items not allocated to the Company's segments. The Company also believes that it is relevant and useful to disclose this supplementary financial measure for LSTK Projects as the Company is completing the projects in this segment. These measures are presented in [Section 6.1](#).

Net limited recourse and recourse debt is a non-IFRS financial measure corresponding to the total amount of limited recourse and recourse debt, minus the amount of cash and cash equivalents at the end of a given period. This measure is used by management to analyze the indebtedness of the Company, excluding lease liabilities as well as indebtedness related to non-recourse financing. Refer to [Section 6.4](#) for a calculation of this non-IFRS measure.

Net limited recourse and recourse debt to Adjusted EBITDA ratio is a non-IFRS ratio used to analyze the Company's financial leverage. It is calculated by comparing the Net limited recourse and recourse debt at the end of a given period with Adjusted EBITDA of the corresponding trailing twelve-month period. Management believes that this measure is useful in evaluating the Company's ability to service its limited recourse and recourse debt from its continuing operations. Refer to [Section 6.4](#) for a calculation of this non-IFRS ratio.

Working capital corresponds to the amount of the Company's total current assets minus its total current liabilities and the **Current ratio** corresponds to the Company's total current assets divided by its total current liabilities. This measure and ratio are supplementary financial measures used to compare the Company's current assets with its current liabilities and are believed to be useful metrics in analyzing the Company's liquidity. These measures are presented in [Section 6.10](#).

9.3 OTHER

Organic revenue is a non-IFRS financial measure corresponding to the amount of revenue of a given period, excluding the effect of acquisitions, disposals and foreign currency changes of the same period. This non-IFRS measure is used to analyze the level of activity of the Company excluding the effect of certain transactions and the impact of foreign exchange fluctuations in order to facilitate period-to-period comparisons, as well as comparison with peers. As such, **organic revenue growth (contraction)** is a non-IFRS ratio calculated by comparing the amount of organic revenue of a given period with the amount of organic revenue of the comparative period. Both organic revenue and organic revenue growth (contraction) do not have a standardized definition within IFRS and other issuers may define these measures differently and, accordingly, these measures may not be comparable to similar measures used by other issuers. Refer to [Section 9.4.5](#) for calculations of the organic revenue growth (contraction) ratio.

9.4 RECONCILIATIONS

The objective of this section is to provide a quantitative reconciliation between certain non-IFRS measures to the most comparable measure specified under IFRS and to present the underlying calculation for certain non-IFRS ratios.

9.4.1 ADJUSTED DILUTED EPS AND ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS

THIRD QUARTERS ENDED SEPTEMBER 30 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	2023				2022			
	Before taxes	Taxes	After taxes	Diluted EPS in \$	Before taxes	Taxes	After taxes	Diluted EPS in \$
Net income attributable to AtkinsRéalis shareholders from continuing operations			\$ 105.0	\$ 0.60			\$ 44.7	\$ 0.25
Restructuring and transformation costs	\$ 6.6	\$ (1.1)	\$ 5.6		\$ 8.8	\$ (2.1)	\$ 6.8	
Amortization of intangible assets related to business combinations	21.1	(4.1)	17.0		19.8	(4.0)	15.8	
Gain on disposal of a Capital investment	—	—	—		—	—	—	
Gain on disposal of a PS&PM business	(46.2)	—	(46.2)		—	—	—	
Total adjustments	\$(18.5)	\$ (5.2)	\$ (23.7)	\$ (0.13)	\$ 28.7	\$ (6.1)	\$ 22.6	\$ 0.13
Adjusted net income attributable to AtkinsRéalis shareholders			\$ 81.3	\$ 0.46			\$ 67.3	\$ 0.38
Net income attributable to AtkinsRéalis shareholders from Capital			\$ 14.0	\$ 0.08			\$ 15.2	\$ 0.09
Gain on disposal of a Capital investment already considered above	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —	
Total adjustments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Adjusted net income attributable to AtkinsRéalis shareholders from Capital			\$ 14.0	\$ 0.08			\$ 15.2	\$ 0.09
Adjusted net income attributable to AtkinsRéalis shareholders from PS&PM			\$ 67.3	\$ 0.38			\$ 52.1	\$ 0.30

NINE MONTHS ENDED SEPTEMBER 30
(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)

	2023				2022			
	Before taxes	Taxes	After taxes	Diluted EPS in \$	Before taxes	Taxes	After taxes	Diluted EPS in \$
Net income attributable to AtkinsRéalis shareholders from continuing operations			\$ 197.2	\$ 1.12			\$ 71.0	\$ 0.40
Restructuring and transformation costs	\$ 27.9	\$ (4.2)	\$ 23.7		\$ 29.0	\$ (6.6)	\$ 22.4	
Amortization of intangible assets related to business combinations	62.5	(12.2)	50.3		62.7	(12.9)	49.9	
Gain on disposal of a Capital investment	—	—	—		(4.3)	(0.1)	(4.4)	
Gain on disposal of a PS&PM business	(46.2)	—	(46.2)		—	—	—	
DPCP Remediation Agreement expense	—	—	—		27.4	—	27.4	
Total adjustments	\$ 44.2	\$ (16.4)	\$ 27.8	\$ 0.16	\$ 114.8	\$ (19.6)	\$ 95.2	\$ 0.54
Adjusted net income attributable to AtkinsRéalis shareholders			\$ 225.0	\$ 1.28			\$ 166.2	\$ 0.95
Net income attributable to AtkinsRéalis shareholders from Capital			\$ 30.4	\$ 0.17			\$ 25.4	\$ 0.14
Gain on disposal of a Capital investment already considered above	\$ —	\$ —	\$ —		\$ (4.3)	\$ (0.1)	\$ (4.4)	
Total adjustments	\$ —	\$ —	\$ —	\$ —	\$ (4.3)	\$ (0.1)	\$ (4.4)	\$ (0.03)
Adjusted net income attributable to AtkinsRéalis shareholders from Capital			\$ 30.4	\$ 0.17			\$ 20.9	\$ 0.12
Adjusted net income attributable to AtkinsRéalis shareholders from PS&PM			\$ 194.6	\$ 1.11			\$ 145.3	\$ 0.83

9.4.2 CONSOLIDATED EBITDA AND ADJUSTED EBITDA

THIRD QUARTERS ENDED SEPTEMBER 30
(IN MILLIONS \$)

	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Net income from continuing operations	\$ 90.7	\$ 14.0	\$ 104.7	\$ 31.4	\$ 15.2	\$ 46.6
Net financial expenses	48.6	1.6	50.2	21.9	1.1	23.0
Income tax expense	5.9	0.1	6.1	1.8	1.5	3.3
EBIT	\$ 145.2	\$ 15.7	\$ 160.9	\$ 55.2	\$ 17.7	\$ 72.9
Depreciation and amortization	\$ 62.9	\$ —	\$ 62.9	\$ 63.1	\$ —	\$ 63.2
EBITDA	\$ 208.1	\$ 15.7	\$ 223.8	\$ 118.3	\$ 17.8	\$ 136.1
Restructuring and transformation costs	\$ 6.6	\$ —	\$ 6.6	\$ 8.8	\$ —	\$ 8.8
Gain on disposal of a PS&PM business	(46.2)	—	(46.2)	—	—	—
Adjusted EBITDA	\$ 168.5	\$ 15.7	\$ 184.3	\$ 127.2	\$ 17.8	\$ 144.9

NINE MONTHS ENDED SEPTEMBER 30
(IN MILLIONS \$)

	2023			2022		
	FROM PS&PM	FROM CAPITAL	TOTAL	FROM PS&PM	FROM CAPITAL	TOTAL
Net income from continuing operations	\$ 166.4	\$ 30.4	\$ 196.8	\$ 46.6	\$ 25.4	\$ 72.0
Net financial expenses	134.6	5.9	140.6	65.9	2.9	68.8
Income tax expense	25.0	0.6	25.6	7.7	3.0	10.7
EBIT	\$ 326.0	\$ 37.0	\$ 363.0	\$ 120.2	\$ 31.3	\$ 151.5
Depreciation and amortization	\$ 184.0	\$ —	\$ 184.0	\$ 191.1	\$ —	\$ 191.1
EBITDA	\$ 510.0	\$ 37.0	\$ 547.0	\$ 311.3	\$ 31.3	\$ 342.6
Restructuring and transformation costs	\$ 27.9	\$ —	\$ 27.9	\$ 29.0	\$ —	\$ 29.0
Gain on disposal of a Capital investment	—	—	—	—	(4.3)	(4.3)
Gain on disposal of a PS&PM business	(46.2)	—	(46.2)	—	—	—
DPCP Remediation Agreement expense	—	—	—	27.4	—	27.4
Adjusted EBITDA	\$ 491.7	\$ 37.0	\$ 528.7	\$ 367.7	\$ 27.0	\$ 394.7

9.4.3 BOOKING-TO-REVENUE RATIO

THIRD QUARTER ENDED SEPTEMBER 30
(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)

	2023				
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total
Opening backlog	\$ 5,091.6	\$ 1,116.6	\$ 5,192.1	\$ 957.5	\$ 12,357.7
Plus: Contract bookings during the period	1,665.2	195.1	42.5	387.3	2,290.1
Less: Revenues from contracts with customers recognized during the period ⁽¹⁾	1,512.4	258.6	114.8	140.1	2,025.9
Backlog of a PS&PM business sold during the period	121.4	—	—	—	121.4
Ending backlog	\$ 5,123.0	\$ 1,053.1	\$ 5,119.8	\$ 1,204.7	\$ 12,500.5
Booking-to-revenue ratio (in %)	110%	75%	37%	276%	113%

THIRD QUARTER ENDED SEPTEMBER 30
(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)

	2022				
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total
Opening backlog	\$ 4,158.4	\$ 808.3	\$ 5,516.3	\$ 823.3	\$ 11,306.2
Plus: Contract bookings during the period	1,626.3	270.2	26.0	63.6	1,986.0
Backlog from a business combination during the period	—	0.3	—	—	0.3
Less: Revenues from contracts with customers recognized during the period ⁽¹⁾	1,161.8	219.7	124.3	123.1	1,628.8
Ending backlog	\$ 4,622.9	\$ 859.0	\$ 5,418.0	\$ 763.8	\$ 11,663.7
Booking-to-revenue ratio (in %)	140%	123%	21%	52%	122%

⁽¹⁾ Revenues under the scope of IFRS 15, as disclosed in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022.

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	2023				
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total
Opening backlog	\$ 4,662.1	\$ 936.6	\$ 5,353.9	\$ 881.8	\$ 11,834.4
Plus: Contract bookings during the period	4,899.4	858.6	105.5	726.7	6,590.3
Less: Revenues from contracts with customers recognized during the period ⁽¹⁾	4,317.1	742.2	339.7	403.9	5,802.8
Backlog of a PS&PM business sold during the period	121.4	—	—	—	121.4
Ending backlog	\$ 5,123.0	\$ 1,053.1	\$ 5,119.8	\$ 1,204.7	\$ 12,500.5
Booking-to-revenue ratio (in %)	113%	116%	31%	180%	114%

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	2022				
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total
Opening backlog	\$ 3,769.0	\$ 834.9	\$ 5,705.4	\$ 974.2	\$ 11,283.5
Plus: Contract bookings during the period	4,259.9	696.0	78.2	216.8	5,250.9
Backlog from a business combination during the period	—	0.3	—	—	0.3
Less: Revenues from contracts with customers recognized during the period ⁽¹⁾	3,405.9	672.1	365.6	427.3	4,870.9
Ending backlog	\$ 4,622.9	\$ 859.0	\$ 5,418.0	\$ 763.8	\$ 11,663.7
Booking-to-revenue ratio (in %)	125%	104%	21%	51%	108%

⁽¹⁾ Revenues under the scope of IFRS 15, as disclosed in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2023 and 2022.

9.4.4 SEGMENT ADJUSTED EBITDA

THIRD QUARTER ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023								
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total	LSTK Projects	Capital	Less: Corporate and other ⁽¹⁾	Consolidated
Segment Adjusted EBIT (EBIT for consolidated figure)	\$ 131.8	\$ 38.7	\$ 16.3	\$ 0.4	\$ 187.1	\$ (13.2)	\$ 22.8	\$ (35.8)	\$ 160.9
Depreciation and amortization	30.2	3.4	0.7	1.0	35.3	4.3	—		
Segment Adjusted EBITDA	\$ 162.0	\$ 42.0	\$ 17.0	\$ 1.4	\$ 222.5	\$ (8.9)	\$ 22.8		

THIRD QUARTER ENDED SEPTEMBER 30 (IN MILLIONS \$)	2022								
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total	LSTK Projects	Capital	Less: Corporate and other ⁽¹⁾	Consolidated
Segment Adjusted EBIT (EBIT for consolidated figure)	\$ 97.9	\$ 36.6	\$ 15.8	\$ 2.3	\$ 152.6	\$ (43.9)	\$ 24.8	\$ (60.6)	\$ 72.9
Depreciation and amortization	29.6	3.5	(1.0)	0.9	33.0	9.1	—		
Segment Adjusted EBITDA	\$ 127.5	\$ 40.0	\$ 14.8	\$ 3.2	\$ 185.6	\$ (34.9)	\$ 24.8		

⁽¹⁾ "Corporate and other" corresponds to items not specifically allocated to segments and, therefore, not included in the Segment Adjusted EBIT of the Company's segments, for which details are provided below.

The table below presents the details of the "Corporate and other" amount reconciling the Segment Adjusted EBIT to the Company's consolidated EBIT:

THIRD QUARTERS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023		2022	
Corporate selling, general and administrative expenses not allocated to the segments	\$	54.3	\$	31.9
Restructuring and transformation costs		6.6		8.8
Amortization of intangible assets related to business combinations		21.1		19.8
Gain on disposal of a PS&PM business		(46.2)		—
Corporate and other – Total	\$	35.8	\$	60.6

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023									
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total	LSTK Projects	Capital	Less: Corporate and other ⁽¹⁾	Consolidated	
Segment Adjusted EBIT (EBIT for Consolidated figure)	\$ 369.7	\$ 104.3	\$ 33.6	\$ 3.0	\$ 510.6	\$ (35.0)	\$ 58.1	\$ (170.8)	\$ 363.0	
Depreciation and amortization	89.3	10.1	2.1	2.8	104.3	12.8	—			
Segment Adjusted EBITDA	\$ 459.0	\$ 114.4	\$ 35.7	\$ 5.8	\$ 614.9	\$ (22.2)	\$ 58.1			

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2022									
	Engineering Services	Nuclear	O&M	Linxon	AtkinsRéalis Services – Total	LSTK Projects	Capital	Less: Corporate and other ⁽¹⁾	Consolidated	
Segment Adjusted EBIT (EBIT for Consolidated figure)	\$ 278.5	\$ 103.4	\$ 38.9	\$ 4.4	\$ 425.2	\$ (111.1)	\$ 48.1	\$ (210.7)	\$ 151.5	
Depreciation and amortization	89.7	10.6	1.8	3.1	105.1	19.6	—			
Segment Adjusted EBITDA	\$ 368.2	\$ 114.0	\$ 40.7	\$ 7.4	\$ 530.3	\$ (91.5)	\$ 48.1			

⁽¹⁾ "Corporate and other" corresponds to items not specifically allocated to segments and, therefore, not included in the Segment Adjusted EBIT of the Company's segments, for which details are provided below.

The table below presents the details of the "Corporate and other" amount reconciling the Segment Adjusted EBIT to the Company's consolidated EBIT:

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$)	2023		2022	
Corporate selling, general and administrative expenses not allocated to the segments	\$	126.6	\$	95.9
Restructuring and transformation costs		27.9		29.0
Amortization of intangible assets related to business combinations		62.5		62.7
Gain on disposal of a Capital investment		—		(4.3)
Gain on disposal of a PS&PM business		(46.2)		—
DPCP Remediation Agreement expense		—		27.4
Corporate and other – Total	\$	170.8	\$	210.7

9.4.5 ORGANIC REVENUE GROWTH (CONTRACTION)

THIRD QUARTERS ENDED SEPTEMBER 30
(IN MILLIONS \$)

	2023 Revenue	2022 Revenue	Variance	Foreign exchange impact	Acquisition and disposal impact	Organic revenue growth (contraction)
Engineering Services	\$ 1,518.1	\$ 1,176.5	\$ 341.6	\$ 40.9	\$ 14.1	\$ 286.6
Nuclear	270.5	219.2	51.3	6.9	—	44.4
O&M	114.8	124.3	(9.4)	1.0	—	(10.5)
Linxon	140.1	123.1	17.0	4.5	—	12.5
Total – AtkinsRéalis Services	\$ 2,043.5	\$ 1,643.0	\$ 400.5	\$ 53.4	\$ 14.1	\$ 333.0

THIRD QUARTERS ENDED SEPTEMBER 30
(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)

	2023 Revenue	2022 Revenue	Variance (%)	Foreign exchange impact (%)	Acquisition and disposal impact (%)	Organic revenue growth (contraction) (%)
Engineering Services	\$ 1,518.1	\$ 1,176.5	29.0%	4.6%	1.2%	23.3%
Nuclear	270.5	219.2	23.4%	3.8%	—%	19.6%
O&M	114.8	124.3	(7.6)%	0.8%	—%	(8.4)%
Linxon	140.1	123.1	13.8%	4.0%	—%	9.8%
Total – AtkinsRéalis Services	\$ 2,043.5	\$ 1,643.0	24.4%	4.1%	0.9%	19.5%

NINE MONTHS ENDED SEPTEMBER 30
(IN MILLIONS \$)

	2023 Revenue	2022 Revenue	Variance	Foreign exchange impact	Acquisition and disposal impact	Organic revenue growth (contraction)
Engineering Services	\$ 4,328.4	\$ 3,443.3	\$ 885.0	\$ 90.2	\$ 14.1	\$ 780.7
Nuclear	766.0	672.3	93.7	13.2	0.7	79.9
O&M	339.7	365.6	(25.9)	4.8	—	(30.7)
Linxon	403.9	427.3	(23.4)	10.3	—	(33.7)
Total – AtkinsRéalis Services	\$ 5,837.9	\$ 4,908.5	\$ 929.4	\$ 118.5	\$ 14.8	\$ 796.1

NINE MONTHS ENDED SEPTEMBER 30
(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)

	2023 Revenue	2022 Revenue	Variance (%)	Foreign exchange impact (%)	Acquisition and disposal impact (%)	Organic revenue growth (contraction) (%)
Engineering Services	\$ 4,328.4	\$ 3,443.3	25.7%	3.3%	0.4%	22.0%
Nuclear	766.0	672.3	13.9%	2.2%	0.1%	11.6%
O&M	339.7	365.6	(7.1)%	1.2%	—%	(8.3)%
Linxon	403.9	427.3	(5.5)%	2.2%	—%	(7.7)%
Total – AtkinsRéalis Services	\$ 5,837.9	\$ 4,908.5	18.9%	2.8%	0.3%	15.8%

9.4.6 SEGMENT NET REVENUE AND SEGMENT ADJUSTED EBITDA TO SEGMENT NET REVENUE RATIO FOR ENGINEERING SERVICES AND LINXON SEGMENTS

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenue – Engineering Services	\$ 1,518.1	\$ 1,176.5	\$ 4,328.4	\$ 3,443.3
Less: Direct costs for sub-contractors and other direct expenses that are recoverable directly from clients – Engineering Services	389.1	297.5	1,052.5	841.9
Segment net revenue – Engineering Services	\$ 1,129.0	\$ 879.0	\$ 3,275.9	\$ 2,601.4
Segment Adjusted EBITDA – Engineering Services	\$ 162.0	\$ 127.5	\$ 459.0	\$ 368.2
Segment Adjusted EBITDA to segment net revenue ratio – Engineering Services (in %)	14.4%	14.5%	14.0%	14.2%

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2023	2022	2023	2022
Revenue – Linxon	\$ 140.1	\$ 123.1	\$ 403.9	\$ 427.3
Less: Costs of equipment provided by the minority shareholder of Linxon	34.3	24.1	93.2	70.1
Segment net revenue – Linxon	\$ 105.8	\$ 99.0	\$ 310.7	\$ 357.2
Segment Adjusted EBITDA – Linxon	\$ 1.4	\$ 3.2	\$ 5.8	\$ 7.4
Segment Adjusted EBITDA to segment net revenue ratio – Linxon (in %)	1.3%	3.2%	1.9%	2.1%

9.4.7 FREE CASH FLOW (USAGE) TO ADJUSTED NET INCOME (LOSS) ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS RATIO

NINE MONTHS ENDED SEPTEMBER 30 (IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	2023	2022
Free cash flow (usage) ⁽¹⁾	\$ (309.1)	\$ (529.5)
Adjusted net income attributable to AtkinsRéalis shareholders ⁽²⁾	\$ 225.0	\$ 166.2
Free cash flow (usage) to Adjusted net income (loss) attributable to AtkinsRéalis shareholders ratio (in %)	(137.3)%	(318.5)%

⁽¹⁾ Please refer to Section 6.1 for a quantitative reconciliation of Free cash flow (usage) to net cash generated from (used for) operating activities.

⁽²⁾ Please refer to Section 9.4.1 for a quantitative reconciliation of Adjusted net income (loss) attributable to AtkinsRéalis shareholders to net income (loss) attributable to AtkinsRéalis shareholders.

10 Risks and Uncertainties

The risks and uncertainties and risk management practices of the Company described in Section 14 of the 2022 Annual MD&A have not materially changed in the first nine months of 2023. See also Note 12, Contingent Liabilities, to the unaudited interim condensed consolidated financial statements of the Company for the three-month and nine-month periods ended September 30, 2023 and 2022.

11 Controls and Procedures

The Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures as well as its internal control over financial reporting, as those terms are defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") of the Canadian securities regulatory authorities.

The CEO and the CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that:

- Material information relating to the Company is made known to them by others, particularly during the period in which the interim filings are being prepared; and
- Information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO have also designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's internal control over financial reporting that occurred during the period beginning on July 1, 2023 and ended on September 30, 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

12 Quarterly Information

(IN MILLIONS \$, EXCEPT AS OTHERWISE NOTED)	2023			2022				2021
	THIRD QUARTER	SECOND QUARTER	FIRST QUARTER	FOURTH QUARTER	THIRD QUARTER	SECOND QUARTER	FIRST QUARTER	FOURTH QUARTER
Continuing operations								
Revenues:								
PS&PM	2,171.2	2,102.2	2,006.7	1,850.7	1,859.9	1,857.6	1,871.7	1,879.7
Capital	28.9	29.4	16.3	49.4	29.5	13.9	16.4	65.2
Total revenues	2,200.1	2,131.5	2,023.1	1,900.1	1,889.4	1,871.5	1,888.1	1,944.9
EBIT	160.9	114.6	87.5	(56.5)	72.9	27.1	51.5	(35.9)
Net financial expenses	50.2	43.0	47.4	46.9	23.0	20.2	25.6	27.0
Earnings (loss) before income taxes from continuing operations	110.8	71.6	40.1	(103.4)	49.9	7.0	25.8	(62.9)
Income tax expense (recovery)	6.1	8.0	11.6	(38.5)	3.3	3.5	4.0	(47.8)
Net income (loss) from continuing operations	104.7	63.7	28.5	(64.9)	46.6	3.5	21.9	(15.1)
Net loss from discontinued operations	—	—	—	—	(6.9)	—	—	(37.6)
Net income (loss)	104.7	63.7	28.5	(64.9)	39.7	3.5	21.9	(52.7)
Net income (loss) attributable to:								
AtkinsRéalis shareholders	105.0	63.8	28.4	(54.4)	37.8	1.6	24.8	(52.9)
Non-controlling interests	(0.3)	(0.1)	—	(10.6)	1.9	1.9	(2.9)	0.2
Net income (loss)	104.7	63.7	28.5	(64.9)	39.7	3.5	21.9	(52.7)
Basic earnings (loss) per share (in \$)	0.60	0.36	0.16	(0.31)	0.22	0.01	0.14	(0.30)
Diluted earnings (loss) per share (in \$)	0.60	0.36	0.16	(0.31)	0.22	0.01	0.14	(0.30)
Net income (loss) from continuing operations attributable to:								
AtkinsRéalis shareholders	105.0	63.8	28.4	(54.4)	44.7	1.6	24.8	(15.3)
Non-controlling interests	(0.3)	(0.1)	—	(10.6)	1.9	1.9	(2.9)	0.2
Net income (loss) from continuing operations	104.7	63.7	28.5	(64.9)	46.6	3.5	21.9	(15.1)
Basic earnings (loss) per share from continuing operations (in \$)	0.60	0.36	0.16	(0.31)	0.25	0.01	0.14	(0.09)
Diluted earnings (loss) per share from continuing operations (in \$)	0.60	0.36	0.16	(0.31)	0.25	0.01	0.14	(0.09)
Dividend declared per share (in \$)	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02