

**AtkinsRéalis First Quarter 2026 Conference Call
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Corporate Speakers

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

Participants

- Chris Murray; ATB Cormark Capital Markets; Analyst
- Tomohiko Sano; JPMorgan Chase; Analyst
- Devin Dodge; BMO Capital Markets Equity Research; Analyst
- Krista Friesen; CIBC Capital Markets; Analyst
- Benoit Poirier; Desjardins Securities; Analyst
- Michael Tupholme; TD Cowen; Analyst
- Frederic Bastien; Raymond James; Analyst
- Maxim Sytchev; National Bank Financial; Analyst
- Jonathan Goldman; Scotiabank Global Banking and Markets; Analyst

PRESENTATION

Operator^ Good day. And welcome to the AtkinsRéalis First Quarter 2026 Conference Call. (Operator Instructions) Please note, this call is being recorded. I would now like to turn the call over to Denis Jasmin, Vice President, Investor Relations. Please begin.

Denis Jasmin^ Thank you, Michelle. Good morning everyone. And thank you for joining us today. For those dialing in, we invite you to view the slide presentation that we have posted in the Investors section of our website which we will refer to during this call. Today's call is also webcast. With me today are Ian Edwards, Chief Executive Officer, and Jeff Bell, Chief Financial Officer.

Before we begin, I would like to ask everyone to limit themselves to one or two questions to ensure that all analysts have an opportunity to participate. You are welcome to return to the queue for any follow-up questions. I would like to draw your attention to Slide 2. Comments made on today's call may contain forward-looking information.

This information by its nature is subject to assumptions, risks and uncertainties. And as such, actual results may differ materially from the views expressed today. For further information on these assumptions, risks and uncertainties, please consult the Company's relevant filings on sets. These documents are also available on our website.

Also during the call we may refer to certain non-IFRS financial measures. Reconciliation of these amounts to the corresponding IFRS financial measures are reflected in our earnings release and MD&A which can be found on SEDAR+ and on our website. And now I'll pass the call over to Ian Edwards.

Ian Edwards^ Thank you, Denis. And good morning everyone. And thank you for joining us today. I'm going to begin today's call by providing an overview of our performance for the

first quarter. Before I pass it to Jeff to provide more detail on our financial results. We'll then open it up for questions.

Our focus on helping clients address long-term global energy security and aging infrastructure needs drove a strong first quarter. We began the year with continued momentum from 2025 as total revenue grew 18% year-over-year or 13% on an organic basis. Overall demand remains robust and resulted in record quarterly revenues for our Nuclear business. We also grew Adjusted EBITDA by 18% which helped to translate to a 27% increase in Adjusted EPS year-over-year.

We continue leveraging efficient and innovative delivery models powered by AI which are improving safety, quality and productivity through all corporate functions and our operational business. We see AI as a strong enabler to our business. Engineering is a judgment-based profession that uses data and design to apply it to the built environment and, in our case, on Nuclear power plants and complex structures. An example of progress in that field this quarter is our collaboration with NVIDIA on Nuclear-powered AI factories which I will speak about shortly.

Demand for our unique capabilities remains strong as we secured numerous wins in Q1 to further strengthen our \$20 billion backlog. Subsequent to quarter close, we announced three acquisitions. WGA and Coras, Australian engineering and project management consultancy firms, these will expand our presence in this high-growth region we are rapidly building scale and capability. And additionally, TOBIN, an Irish engineering and project management consultancy firm which will further strengthen our footprint in a growing and attractive Irish market.

2026 is off to a great start, and we are proud of our accomplishments this quarter. Year two of our Delivering Excellence and Driving Growth strategy will continue to highlight our shareholder value creation opportunities.

Turning to Slide 4. First quarter revenue in our Engineering Services Regions business increased by 12% year-over-year. On an organic revenue basis. Engineering Services Regions grew 5% year-over-year, within our full year 2026 outlook range.

Segment Adjusted EBITDA over net revenue margin was 14.2%. As a reminder, Q1 is typically the lowest margin quarter, and we expect margin to step up on a quarterly basis over the balance of 2026. The year-over-year decline in margin was primarily due to the reprioritization and wind down of high-margin projects in the Middle East and reduced federal emergency work in the U.S.

Notably, the combined backlog for all regions has increased by 3% to \$13.2 billion versus our backlog as at March 31, 2025.

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

In Canada, revenue in the first quarter increased 16% organically year-over-year, while Segment Adjusted EBITDA grew to \$28 million with a 13% margin, a 220 basis point increase, highlighting our ongoing efforts on our margin improvement plan.

Across Canada, despite a lower backlog due to strong revenue delivery in Q1, we continue to see solid demand and growth across all end markets. In addition to opportunities in power and renewables and industrial, we're also seeing opportunities for more defence contracts. This stems from recent announcements by the federal government that it plans to allocate approximately \$35 billion to fund Defence spending in the Arctic and northern regions.

We are also well equipped to capture Transportation opportunities as our unique end-to-end capabilities continue to position us as a critical partner in supporting new infrastructure projects. For instance, we were, through a consortium, recently named preferred proponent for one of the new TramCité system contracts, a vital rail project in Quebec City.

And lastly, as noted, by our sustained margin enhancement, we are executing on our improvement initiatives through cost optimization, enhanced bid discipline and more efficient project delivery. We anticipate this work will continue to yield consistent results.

In U.K. and Ireland, first quarter revenue grew 13% and organically grew 10% year-over-year, driven primarily by continued strong demand in water, aviation and defence projects in the U.K.

Segment Adjusted EBITDA grew to \$105 million in the quarter, representing a 17.9% EBITDA margin. We are focused on improving the utilization of our concentrated presence in this growing region. This work, particularly in the transportation end market drove strong margins for a second consecutive quarter.

Backlog grew 10% year-on-year to \$2 billion driven mainly by wins in transportation, rail, water and aviation markets. These end markets continue to demonstrate strong client demand, underpinned by the long-term commitments and supportive regulatory drivers.

In transportation, rail and transit remains positive, with recent wins to support work on the Midland Rail Hub and Northern Powerhouse Rail. Highway work also continues to be contracted as we secured a strategic win on the National Highways commercial and project management services framework.

Overall, market conditions remain resilient, with a strong pipeline of opportunities in growing customer end markets. For instance, the U.K. government highlighted in its infrastructure strategy that it expects defence spending to rise from 2.3% to 2.5% of overall economic output by 2027 including intelligence services. Our proven experience in this market is leading to increased opportunities for us, not just in the U.K. and Ireland, but across the globe.

First quarter USLA revenue was \$529 million, up 22% year-over-year. Underlying performance in the quarter reflected sustained strength in transportation while the pace of revenue conversion in other areas were more measured. Overall, the market backdrop remains constructive, and we continue to see healthy demand across our core end markets.

Segment Adjusted EBITDA was \$47 million, representing an operating margin of 11% compared with 14% in the prior year. While the margin performance in the quarter reflected solid execution across much of the portfolio, supported by ongoing cost discipline, this was offset by market expansion and staff-related costs, as well as significantly lower emergency response work.

Backlog increased 17% year-over-year to a new record high of \$2 billion, showing continued momentum and healthy client demand across our end markets. The timelines from procurement awards to actual work order releases are improving, although timelines remain longer than in prior periods. However, continued backlog growth gives us confidence in achieving our revenue growth outlook despite these challenges.

Transportation continues to be a particular source of strength in the business, especially in highways, where market demand is both large and resilient. Beyond transportation, we're seeing a broader set of opportunities developed across buildings and places, industrial, water and minerals and metals, which reflect the benefits of the investments we have made to land and expand.

We are specifically encouraged by the momentum we are seeing in data centers, advanced manufacturing, water and power-related infrastructure. Taken together, we are confident that growth in the U.S. is becoming broader based and creates a robust growth outlook for AtkinsRéalis in the region over the long term.

In AMEA, revenue was \$294 million in the quarter, down 8% year-over-year, primarily reflecting lower revenue on major buildings and places projects in the Middle East. This was partially offset by higher revenue in Australia following the acquisition of ADG in Q4 2025.

Segment Adjusted EBITDA was \$18 million, representing a 10% margin on net revenue compared with 14% in the prior year period. The decline was primarily driven by less favorable business mix in the Middle East including the reprioritization and winding down of higher-margin buildings and places work.

In addition to these headwinds, our business in the Middle East has been affected by the ongoing conflict. Our priority remains the safety and well-being of our staff in the region, and we continue to monitor the situation closely. Although the near-term environment remains uncertain, the long-term demand fundamentals in the region remain strong, as reflected in the 15% backlog growth we've delivered this quarter.

In Australia, we are focused on capturing the benefits of our ADG acquisition and continuing to build our position in an attractive growth market. We also expect the recently announced WGA and Coras acquisitions to further strengthen our platform and enhance our ability to capture opportunities across multiple sectors, particularly power, defence, and activity related to the 2032 Brisbane Olympics.

In Asia, we continue to see encouraging opportunities in both transportation and buildings and places particularly in Hong Kong, where the Northern Metropolis development and related projects, such as the Northern Link, are expected to support future demand. More broadly, we expect other parts of the region to return to growth towards the end of 2026.

I'd like to now move to Slide 9 and discuss our first quarter results for our Nuclear business. The business continues to demonstrate exceptional growth, achieving an organic revenue increase of 37% compared to the first quarter of 2025. Backlog totaled \$4.5 billion, down 15% from March 31, '25, primarily reflecting continued progress on the ongoing projects, particularly the OPG Pickering life extension project.

Given the timing and phasing of major contracts, we would expect backlog to fluctuate from quarter-to-quarter, but with the ongoing refurbishment projects we currently have in place, we remain confident in our ability to deliver on our revenue growth outlooks for '26 and '27.

Segment Adjusted EBIT grew 31% to a quarterly record high of \$82 million, while Segment Adjusted EBIT margin was 11%, and Segment Adjusted EBITDA margin was 27%.

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

In our CANDU business, we are making strong progress on OPG Pickering and the Cernavoda life extension work. The refurbishment of the fourth and final CANDU reactor at the Darlington Nuclear power plant in Ontario was recently completed, ahead of schedule, and under budget.

Our proven execution in Canada and Romania is creating new opportunities internationally. We recently signed a memorandum of understanding with Turkiye Nuclear Energy Company in support of potential deployment of CANDU technology as the country looks to add reactors to its existing nuclear fleet. This is another good example of how successful delivery in our core markets is helping to drive broader interest in both our nuclear technology and our ability to service the entire life cycle of an asset.

In the U.S., we are continuing to grow our Nuclear business by broadening our customer base and expanding into areas where we see clear demand including waste management, digital and robotics, alongside our existing federal work. We continue to see a more supportive backdrop for nuclear which we believe can broaden the opportunity set across both reactor and nuclear services technologies and further enhance the strategic relevance of our CANDU technology.

In Services, we are now part of the NVIDIA ecosystem as we recently announced a collaboration with them on Nuclear-powered AI factories. This is an important partnership to explore the integration of NVIDIA's technologies for the development and deployment of Nuclear-powered large-scale AI factories.

These technologies provide AtkinsRéalis with a framework to design and optimize integrated infrastructure systems in a 3D digital trend before building in the real world. This collaboration comes at a time when global AI infrastructure demand is rapidly outpacing available power supply, prompting governments and developers to pursue scalable solutions for gigawatt class data centers.

Nuclear power is emerging as a leading low-carbon baseload for AI factories. As the Original Equipment Manufacturer and exclusive license holder of the CANDU technology, AtkinsRéalis is well positioned to work alongside NVIDIA for the next-generation hub supporting dedicated AI computing workloads.

In the U.K., growth continues to be supported by our work across the nuclear life cycle including new build support at Hinkley Point C and Sizewell C and decommissioning activity in Sellafield.

As we win more work, and strengthen our position as a global leader in nuclear, we are advancing the development of our CANDU Monark design alongside key clients. Importantly, the growth we are seeing in Nuclear is supported by real work and real revenue today which gives us confidence and opportunities ahead.

Turning to Slide 11. You can see our pictorial reminder of these near-term CANDU revenue opportunities within our Nuclear business. We have been working hard to bolster our backlog with high-quality wins which reinforces the bright future we have ahead.

I have spent the last several weeks traveling the world, meeting with global ministers and leaders regarding investment in energy security. Amid continued tension in the Middle East, these discussions reinforce the strong momentum behind nuclear as a vital, low carbon and secure energy solution and underscore the significant growth opportunities ahead for our business.

I also met with several hyperscaler leaders in Canada and the U.S. recently to discuss how CANDU reactors can help them deliver power generation needs for data centers and AI factories. We strongly believe that CANDU reactors would be a great solution for them.

With that, I'll now turn it over to Jeff to discuss our financial highlights.

Jeff Bell^ Thank you, Ian. And good morning, everyone. As Ian said, Q1 was a good start of the year. delivering strong year-over-year increases in revenue, Adjusted EBITDA and diluted EPS. We also have a balance sheet with significant financial flexibility and our backlog remains strong.

On Slide 13, total revenues in the quarter increased 18% year-over-year to \$3 billion, driven by both Engineering Services and Nuclear.

Total Segment Adjusted EBIT growth was also strong with an increase of 12%, mainly due to the Nuclear segment which increased by 31%.

Total Corporate SG&A expenses totaled \$39 million in the quarter, a decrease of 14% compared to the first quarter last year. We expect these expenses will be between \$125 million and \$135 million for the full year 2026, in line with our guidance.

Net financial expenses for the quarter were 62% lower than the first quarter of 2025, mainly attributable to a lower level of recourse debt and higher cash balances.

As expected, the effective tax rate of 29% this quarter was closer to the Company's Canadian statutory income tax rate, resulting in an increase of \$28 million compared to Q1 2025. We continue to expect that for the full year 2026, the Company's effective tax rate will be between 25% and 30%.

The IFRS diluted EPS this quarter increased by 44% to \$0.56 compared to \$0.39 in Q1 2025, while the Adjusted EPS, which we believe is a better reflection of the Company's underlying performance, increased 27% to \$0.80 per diluted share compared to \$0.63 in the first quarter last year.

Moving on to Slide 14. I'll cover cash flow, capital resources and liquidity.

Net cash generated from operating activities more than doubled to \$97 million for the quarter compared to Q1 last year. This was mainly driven by a stronger EBITDA delivery and improved working capital positions. We continue to expect to generate approximately \$500 million of net cash from operating activities for the full year of 2026, with the majority of this weighted to the second half of the year.

As you can also see on the slide, we took advantage of a pullback in our share price and continue to deploy capital to the benefit of our shareholders through share repurchases.

At the same time we continue to deploy capital to accelerate our strategic growth priorities through acquisitions, as Ian highlighted earlier, with our recently announced transactions in Australia and Ireland.

With our net debt ratio well below our 1 to 2x ratio target, we would expect to continue to deploy capital to acquisitions and share buybacks opportunistically going forward.

Also in April, we took advantage of our credit rating upgrade by DBRS to BBB and the constructive interest rate environment to issue \$700 million of new debentures. The net proceeds were used to redeem two higher interest-bearing debenture series of the same amount which were coming due in June this year and in March 2029.

And finally, I'd like to now turn to Slide 15 and our 2026 outlook. We are maintaining all our 2026 outlook metrics as communicated during our Q4 earnings call.

We believe that we are well on track to deliver our Nuclear revenue outlook for the full year 2026 of approximately \$2.5 billion and deliver our Engineering Services Regions 5% to 7% organic revenue growth outlook. We continue to expect in Engineering Services that growth will be more weighted to the second half of the year with the impact of the ongoing conflict in the Middle East resulting in low single-digit percentage growth in the second quarter for engineering services overall.

With that, I'll now hand the presentation back to Ian.

Ian Edwards^ Thank you, Jeff. Our solid first quarter performance kick starts another year for AtkinsRéalis as sustained demand for our Engineering Services and Nuclear capabilities continues to set us apart. We are now operating a simplified and derisked portfolio and are shifting our focus to activating the breadth and depth of our world-class engineering services and nuclear capabilities.

The global energy priorities of security and low carbon transition, as well as infrastructure development, are fueling growth in our markets. We are activating our clear competitive advantages and strengthening our market position by building on a strong foundation and by landing and expanding.

We are leaning into artificial intelligence as an enabler of productivity, safety, quality and predictability. Our innovative tools are enabling more efficient delivery of our work and are winning more business as we are ideally positioned to help customers solve their most complex projects.

As proven by past strategic actions, our balance sheet puts us in a distinctive position to capitalize on inorganic and organic opportunities in a constantly evolving macroeconomic landscape.

Against a backdrop of increasing geopolitical uncertainty including the growing importance of energy security and defence, we remained well positioned to support our clients with our differentiated expertise.

And finally, I want to thank our 40,000 colleagues whose commitment and integrity every day helped earn AtkinsRéalis' recognition in March as one of the 2026 World's Most Ethical Companies by Ethisphere. Their hard work and their dedication to engineering a better future for our planet and its people, continue to position the Company to Deliver Excellence and Drive Growth.

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

QUESTIONS AND ANSWERS

Operator[^] (Operator Instructions) Our first question comes from Chris Murray with ATB Cormark Capital Markets. Your line is open.

Chris Murray[^] Yes thank you good morning. Just maybe starting on the margin profile in the quarter, but more importantly, thinking about how it's going to evolve over the year. So you did maintain your guidance for Engineering Services EBITDA margin. So can you just sort of walk us through some of the puts and takes for you to get there in terms of either project selection or volumes? So, however you want to, maybe go through it.

Ian Edwards[^] So let me talk about the kind of volume and outlook that we see for Engineering Services, presumably than specifically talking about, Chris. And then, Jeff will kind of walk through the profitability angle of that, if that's okay.

I mean yes, clearly, top line growth, 12% and organic, 5%. We're feeling pretty good even with the kind of Q1 headwinds in the Middle East and the U.S., feeling pretty good about landing the end of the year within that revenue range. So great performance coming out of Canada and the U.K.

The market for ourselves remains really, really strong in aging infrastructure, maintenance, replacement; remains really strong in defence and energy. And I think the kind of headwind that we're talking about there in the Middle East is actually not in connection with the conflict. We're seeing kind of minimal impact because of this conflict situation in the Middle East. It's mainly because of the reprioritization during last year in Saudi Arabia, where we've repositioned our business onto the projects that have got longevity leading up to things like Expo and the World Cup. We're also seeing good opportunities actually in the UAE in transport. So we're pivoting there. So the AMEA region, together with, obviously Australia, feel good about the growth there.

And in the U.S., we had a really good quarter in winning work, as you'll see through the backlog. So that's given us pretty good confidence now that this sort of hold back or lack of confidence from some of the States in investing in projects is kind of coming to an end in

some of those States which will fuel our business specifically and allow us to return to growth.

So that's kind of the overall picture from an ES perspective, and Jeff, maybe walk through the margins, if you will.

Jeff Bell^ Yes. Chris, as we normally see, the first quarter tends to be a slightly weaker quarter in terms of operating margins. And we would, as we typically see and would expect to see, sequential improvement quarter-over-quarter and remain very much of the view and confident in delivering our overall operating margin guidance in Engineering Services of that 16.5% to 17.5% that we laid out at the end of February.

Chris Murray^ Okay. I'll leave it there. And then just one quick question on Nuclear, but a little bit of noise around the CANDU development. But at the same time there was an announcement, I think, for Ontario talking about Bruce and starting that process. Can you just maybe update us on where we are in terms of the process with getting that fully developed?

Ian Edwards^ Specifically for Ontario.

Chris Murray^ Well just on the Monark program as a whole, please?

Ian Edwards^ Yes. So I mean the Monark development is going really well. And we are specifically developing the first iteration of the Monark for the two customers in Ontario. So we are working with them, and we are positioning to get that technology selection in place. Now clearly, that's not 100% guarantee. But obviously with the amount of supply chain, the amount of ecosystem around the CANDU technology in Ontario, with 90,000 workers dependent on it and a whole bunch of companies in supply chain, you wouldn't be surprised to hear that we remain confident, although not guaranteed.

The development of the reactor itself is going really well. So we are in with the regulator. We have a commitment for a readout of the licensability of the Monark which is not a sudden kind of death situation. It's an iterative process.

But we would get in Q3, a very good readout of the quantities, the scale, the kind of technology acceptance and from that, I have said repeatedly that, I need then a decision on technology selection so that we can move forward and allow all of our supply chain to make the investments that are necessary to get ready for that build out to scale up their people and their factories and for ourselves to continue to commit. So all in all, the development of the reactor is going really well. And whilst we haven't got absolute clarity now, we are pushing to get that this year.

Chris Murray^ Okay I'll leave it there. Thanks.

Operator^ Thank you. Our next question comes from Tomo Sano with JPMorgan. Your line is open.

Tomohiko Sano^ Hi good morning everyone.

Ian Edwards^ Good morning.

Tomohiko Sano^ Thank you. So Nuclear has shown strong growth in Q1 and backlog was down 15% due to good conversions. Could you talk about the confidence in the sustainability of this momentum in 2027? And if you could talk about the backlog outlook for the remaining year, please? Thank you.

Ian Edwards^ Yes. Let me give a bit of an overview of how we're thinking about our Nuclear business first, and then I'll come to the specific question around backlog and '27 outlook, if that's okay. Because I think it's important that I share how we're feeling about this.

I mean our Nuclear business is becoming a very significant part of AtkinsRéalis. The revenues are now 25% of the Company and only two years ago, they were 15%. So, as we move forward, we will see the Nuclear part of AtkinsRéalis become a larger part of the whole of the Company.

We're seeing very, very significant opportunities in Canada, overseas because of energy demand, energy security, net zero and affordability. But what's been really interesting in my recent activity with hyperscalers is that they're clearly significant demand from hyperscalers. But what's relevant, or becoming relevant, about our own nuclear tried and tested EC6 reactor, is that from a time to inception to electricity on the grid, it's becoming very close to combined cycle gas power plants because the wait list of gas turbines is becoming very, very significant, in some cases, up to 2032.

So that is a very exciting prospect for our business. And as you know, we operate as the OEM of CANDU, it's owned by Canada, but we have the sole rights to deploy it. And we have a very large capacity that we've built which differentiates our Nuclear business because we've been rebuilding reactors for a decade. We've got a supply chain of 90,000 people. We've got 6,000 nuclear specialists, and we've got 40,000 primarily engineers in the business.

And CANDU is only one of six technologies that can be deployed today with proven technology. There's plenty of SMRs being developed, but there are only six technologies that today can be deployed. And as we look around the world, you can see that we're getting opportunity to compete in Poland, Turkiye, Asia, obviously domestically now, where other provinces in Ontario have made announcements that they would like to develop nuclear power assets. And our reactors, both EC6 and the Monark, are full Gen III+ updated reactors.

So the market is strong. The guidance that we've got on the table, as you can see on the bar chart which is Slide 11, it actually shows that all of that opportunity is additive and additional to the almost secured backlog that we have to get to the 2027 guidance of \$2.6 billion to \$3 billion. And the reason I say that is because all we need to get to that \$3 billion or \$2.6 billion to \$3 billion is the next phases of those projects that we're already working on.

So everything I said at the beginning will be additional to what's on that slide and what's in our outlook. So I hope that, it's a long answer, but I wanted to frame out how we're really thinking about Nuclear. And I hope that answers specifics as well.

Tomohiko Sano^ Thank you Ian, that's helpful. Just one follow-up. You recently announced an SMR alliance with FANCO. So, what is the strategic significance of these partnerships, and what impact do you expect on the revenue and backlog over the next five years plus?

Ian Edwards^ Yes. I mean going back to my point, today, there are six large nuclear technologies which have proven and tested and deployable today. But as AtkinsRéalis, we think about our Nuclear business as a very, very long-term, sustainable Nuclear business. So we want to be part of the SMR industry that clearly in the future, will have proven technologies that can be deployed in specific circumstances to complement large nuclear.

So we're heavily involved in the GE Hitachi project in Ontario. With FANCO, we've developed this relationship with them, where they're developing a unique type of reactor which is an advanced technology. We want to be part of that. We want to be in that, learning more about that type of technology. It isn't going to bring significant revenues in the next two to three years.

But ultimately, it will be a deployable technology that will, in partnership, bring revenues into the business. And it's like our fusion approach. We're involved in fusion projects around the world. And that's again part of our involvement in evolving our Nuclear business into full service, ready for the next decade and the decade after that. So that's what that partnership is all about.

Tomohiko Sano^ Thank you very much.

Operator^ Thank you. Our next question comes from Devin Dodge with BMO Capital Markets. Your line is open.

Devin Dodge^ Yes thanks good morning. I wanted to start with another question on a recent partnership that you announced is with Hanmi Global you're targeting some opportunities in the U.S. here. Just wondering if you could provide a bit more color on the strategy for that JV and what each company brings to that partnership.

Ian Edwards^ Yes. I mean defence clearly in many parts of the world, because of the commitments that are being made to increase the percent of GDP investment in defence, is a really exciting sector for AtkinsRéalis. We have a really strong defence business in the U.K. And where we have been successful in the U.K. is two-fold. Firstly, working directly for the Ministry of Defence on infrastructure assets that support Army, support Navy, support Air Force, but also by partnering with OEMs such as Rolls-Royce, BAE or Babcock.

So the Hanwha partnership is following that same strategy here in Canada, as we see the increased commitment from the federal government to build out defence assets. And Hanwha, specifically is under consideration for the submarine procurement. And the supporting infrastructure in dock yards and in maintenance facilities will either be procured through Hanwha or they'll be procured directly through the federal government.

So we're trying to get ahead and cover all the bases such that when the infrastructure assets are procured, we're in pole position for the design, project management and consulting of those assets. So it's quite an exciting market for our Canadian business, and it's the same in Australia. That's why we've built out our capability in Australia because we're actually seeing significant investment, particularly in submarine and ship assets, where we have this specific capability in marine docs and in housing, military assets that are for the Navy.

Devin Dodge^ Okay. That was great color. So second question, Look, most of your divisions actually performed really well in the quarter. But the U.S. divisions maybe stood out there on

the other side. It seems a bit sluggish. It sounded like there were some expansion-related costs that may have played a role there.

So just trying to -- I know you touched on this in your prepared remarks, but what is your near-term outlook for that business? I'm just trying to get a sense if we should expect the earnings contribution to shift higher in the next quarter or two? Or should it take a little bit more time maybe more of a 2027 story.

Ian Edwards^ So I've actually just been on a tour around the U.S. for the last few weeks. So I'm pretty fresh from visiting customers, clients and government. And we remain very confident in the U.S. market. I mean we're currently, or last year, on the ENR rankings, we were 20, we've moved up to 16, but our goal is to be in the top five.

I mean that's the strategy through Land and Expand, through organic growth and through acquisitions. And we see a very strong market, a sustainable strong market driven by investment in transport, the need to replace aging infrastructure in transport and water, and obviously, clearly, energy demand and industrials, not least of which are data centers and the like. Very, very strong market for us.

So we're relatively small compared to our peers. So we see we have a long runway to grow. And our commitment is unwavered in that.

What happened in '25, and I think most of the industry saw this, is not a lack of funding for infrastructure through the States, but certainly, a lack of confidence as to if they embark on major programs will that get funded throughout the period of the current administration. And I think there's proof that it will. I mean the IIJA, for example, isn't fully deployed by a long way. And we're actually seeing in the wins that we've achieved in Q1 and the backlog increase that we've achieved in Q1, what we're actually seeing, is the forward-looking kind of picture is looking a lot better.

And clearly, disappointing Q1 in terms of growth. but absolutely confident we're going to end up with an overall range in the U.S. that's within the 5% on the year. So you'll expect in the next quarters an uptick in that. And that's because we can see some visibility around that. And Jeff, I don't know if you want to talk to the the margin kind of situation.

Jeff Bell^ Yes. So you're right. One of the bigger impacts was just the lack of emergency response work. I mean I think that's true in the industry, as well as for us. But that's clearly just a timing thing more than anything else. From a year-over-year perspective, a little bit more cost in terms of, as Ian said, our Land and Expand and associated staff costs, but again, we expect an improved margin profile as we move throughout the year as well.

Devin Dodge^ Okay good color. Appreciate that I'll turn it over.

Ian Edwards^ Thank you.

Operator^ Thank you. Our next question comes from Krista Friesen with CIBC. Your line is open.

Krista Friesen^ Hi thanks for taking my question. Maybe just one on the M&A front. You've been active doing these small tuck-ins, but just wondering what you're seeing in the

private market in terms of valuations, given where we've seen some of the the public engineers trading recently?

Ian Edwards^ Yes. I mean good question. Obviously maybe talk about our strategy first and then come back to the specific evaluation second. I mean we're in a disciplined process, we're looking for quality. We're specifically prioritizing the U.S. We did want to build a platform in Australia to capture the energy and defence, Brisbane Olympics and transport market, but we're happy with those three acquisitions that we've we've done, and we need to obviously close on the last two, and that will give us what we need there going forward with about 1,300 people.

The priority really is then the U.S. That's not to say that we wouldn't do other acquisitions like TOBIN, fairly small, but it's such a strong market in Ireland that we needed more capacity to meet the transport.

In the U.S., as I've said in the past, it's a very fragmented market state by state. There are numerous targets, numerous opportunities for a company like ourselves that has a limited geographical footprint in the U.S. right now. It's very attractive for companies to join a journey that we explained and a journey rather than just get absorbed into a large kind of machine, they're going to become the AtkinsRéalis presence in a certain state.

So specifically for ourselves, I think it's less in our conversations around paying the multiple, it's more about paying the right market rate multiple and making sure that we're culturally aligned and that we can get revenue synergies out of those acquisitions going forward that we select.

As far as overall multiples, and I don't think they've changed that much. I think there's probably less ambition or less realization that people are going to pay a premium multiple. I think that's the way I see it. I mean I think if you go back a year or so, multiples were around the 13, 14 and probably there was an aspiration that might get 16 or more. And that's kind of gone. So it's more market rate. That's the way we see it. I mean obviously we're talking to specific targets for a specific reason. But yes, thanks for the question.

Krista Friesen^ I appreciate that color. And then maybe just lastly, it feels like we're hearing more maybe positivity around new deliveries in Canada, given we're going to be coming out with a nuclear plan by the end of this year, and it sounds like a national electricity agenda later today. Just wondering your thoughts on those and if you've been consulted on that.

Ian Edwards^ Well obviously we own the Canadian technology or we own the rights to deploy the Canadian technology. I mean the federal government own the technology. So because of that relationship, yes, clearly, we deal with the federal government.

Specifically, what's in the strategy; I don't know what that is, but I know it's going to be good news for CANDU because any expansion of the electricity grid and any desire of provinces to move to a larger Nuclear energy mix has got to be a really good opportunity for CANDU and AtkinsRéalis. I mean there's no guarantee, of course. We have the right technology. We have to have the right approach, and we have to have the right solutions for those specific customers. But we're working with them all.

I mean we're working with Saskatchewan, we're working with Alberta. We're working with New Brunswick. And clearly, we're working very closely in Ontario. And this is a really, really exciting time for AtkinsRéalis with all of that opportunity. And again, I'll go back to this specific niche of available nuclear technologies today. that there's only Russian, Chinese, South Korean, French, American which is Westinghouse and ourselves which is Canadian.

Krista Friesen^ Thanks. Yes -- no totally appreciate it and sounds exciting. Thank you.

Operator^ Thank you. Our next question comes from Benoit Poirier with Desjardins. Your line is open.

Benoit Poirier^ Yes good morning Ian good morning Jeff.

Jeff Bell^ Good morning.

Benoit Poirier^ Yes. Just to come back on the U.S. You called out the lower emergency response work, could you maybe quantify the impact that we've seen on organic growth and margin in the quarter? And whether you're going to still be facing a tough compare going into Q2 and the second half?

Jeff Bell^ Yes. Why don't I take that, Benoit. So in terms of -- so it has -- the emergency response work has definitely had an impact. For instance, in the quarter, our USLA business was, from a growth perspective, relatively flat. If it hadn't been for that emergency response work, we would have seen it up in the mid-single digits, from a percentage perspective, so very much in line with our overall guidance.

And as you heard Ian say earlier, as kind of quarters progress here in 2026, the impact of that year-over-year lessens as we go forward in addition to the fact that the significant backlog position we have -- and what we're seeing in terms of work being released, we think that also bodes well for continued progress and growth in the U.S. business.

Benoit Poirier^ Okay. That's very good color, Jeff. And maybe you mentioned the assumption of about low single digit in Q2. Could you maybe provide some assumptions behind this low single digit that you would expect, whether AMEA is still expected to be negative, USLA whether it becomes in a positive territory and whether the strong performance that we've seen in Canada and the U.K. is sustainable in the double-digit territory. Just overall direction would be looking for.

Jeff Bell^ Sorry. Can you hear me, Benoit. Operator, can you hear me?

Operator^ Yes. I can.

Jeff Bell^ Benoit can you hear us?

Benoit Poirier^ Yes sure can you hear me? Sorry for the problem.

Jeff Bell^ No problem. Listen, I'll summarize it really quickly. We expect continued strong growth in Canada and the U.K., and we'll see an improving perspective and results in the U.S. We do expect the Middle East to be weaker and that would be not at a material level, but that will hold back growth a bit in the second quarter. As Ian said, is largely related to the conflict.

So we would expect kind of low single-digit growth, we think, in Q2. But overall, very confident in getting to our 5% to 7% for the full year.

Benoit Poirier[^] That's great. And very quick one for me. Could you talk about the defence opportunities you pursue in Canada among the \$35 billion spending by the federal government and whether you've already seen some impact in the quarter inside the strong organic growth that you've been pulling from Canada?

Ian Edwards[^] No. I don't think we're seeing anything yet. We're seeing a lot of opportunities come into the pipeline. And as I kind of said before, they're going to come in two ways. It's going to be direct procurement from the federal government, and we're definitely seeing a pipeline of opportunities in the North and building out facilities barracks and military facilities in the north directly from the federal government.

And secondly, we'll see it come through the OEMs. Whether it's marine asset or an air asset, often the enabling infrastructure, the maintenance, the hangers, the dock yards where the assets are housed are often procured by the OEM who manufactures those assets. So we're yet to see how that's going to play out. But clearly, as AtkinsRéalis, having done all of this in the U.K., we feel that we are really well positioned to capture our fair share of that market in the future. So it's a forward opportunity.

Benoit Poirier[^] Thank you very much for the time.

Operator[^] Thank you. Our next question comes from Michael Tupholme with TD Cowen. Your line is open.

Michael Tupholme[^] Thank you. I wanted to circle back on the discussion about expectations for Adjusted EBIT and EBITDA margin progression in ESR. You talked about expecting margins to step up on a quarterly basis over the balance of the year. I'm just hoping you can clarify. Are you looking for year-over-year margin improvement beginning in Q2 and carrying on through the second half of the year? Or is this more of a sequential comment? I guess, just thinking about the full year guidance and the the expectation of seeing some year-over-year margin improvement, will that year-over-year improvement kick in in the second quarter and carry on?

Jeff Bell[^] Yes. My comment when I made it, Michael, was about sequential from here which maybe is obvious in terms of moving from kind of 14.2% here in Q1 to being in our range of 16.5% to 17.5% overall for the full year. That overall improved, that overall yearly guidance would imply, as we said back at Q4, an improvement over 2025.

So fundamentally, we would expect in the remaining quarters, if not all of them, most of them to also be higher year-over-year compared to last year. Otherwise, the math wouldn't work. But yes, we would expect generally that to be the case.

Michael Tupholme[^] Okay. So it sounds like it's not 100% certain that could happen in Q2, but it's obviously got to happen here sooner rather than later.

Jeff Bell[^] Yes. I'm not going to give guidance by quarter per se. But yes, absolutely could happen in Q2, but fundamentally, regardless of the quarters themselves, we remain confident

in terms of getting to that improved year-over-year profile which will mean year-over-year guidance improvement as well as obviously sequentially.

Michael Tupholme[^] Yes okay perfect thank you. And then just on the Nuclear guidance, obviously you've reiterated all of your 2026 financial targets. So Nuclear revenue guidance is \$2.5 billion still. Looking at what you did in the first quarter, obviously very strong growth up 37% year-over-year, but if you simply have flat Nuclear revenues the rest of the year, you get to that \$2.5 billion level. So I guess, is there some conservatism here? Or what is it that would cause Nuclear growth to drop off so dramatically in the rest of the year?

Jeff Bell[^] Yes. Maybe I'll continue on. I mean the guidance was around 2.5. So obviously we're not being completely specific on exactly 2.5 million, but you're right. And I think our view would be we did see very strong, for instance, procurement work at the Pickering refurbishment. Client, OPG, continues to be very keen to move that at pace. And we saw some procurement that we were expecting to have later in the year actually being pulled forward into the first quarter. And and potentially the first half year.

So it is possible that we won't see exactly that level of revenue for the full year. But on the other hand, we may see some revenue continuing to accelerate into the back half of 2026. We're a much better view on that come the middle of the year. But at the moment, clearly very confident that we'll be around the 2.5 for sure.

Michael Tupholme[^] Okay that's perfect thank you.

Operator[^] Thank you. Our next question comes from Frederic Bastien with Raymond James. Your line is open.

Frederic Bastien[^] Good morning. I wanted to dig a little deeper into your partnership with NVIDIA to develop a Nuclear-powered data centers. Obviously given that it's based on the CANDU technology, does that limit you in terms of territory or region where you can entertain those, the development of these data centers?

Ian Edwards[^] No, is the short answer on that relationship. The relationship with NVIDIA is -- in the first instance, it's around collaboration to develop their own AI technologies in the engineering context, specifically in the first stages for what you said, for the development of a CANDU Nuclear powered AI factory. So that's exciting in itself because we're at the kind of forefront of the development of technologies and tools to design, simulate and obviously enable smarter delivery of those assets.

It's not specific only to that. The relationship will then move to doing the same on other complex type of assets so that they have a capability in the product. And then we obviously learn how to use that product and that capability for all customers in the industry. But what's been interesting in that relationship is it's opened the door to meetings with other hyperscalers.

And I personally met some of those, and my team have met others. And I'll go back to the point I made before, that the issue is clearly electrical energy for data centers. And the data center capacity needs for energy, and the way it was described to me, need to increase tenfold.

And with specifically our EC6 reactor having been built once in under five years, and say you add a planning period to that over a couple of years, specifically seven years is looking like it's getting comparable to combined cycle gas. That, for me, is a moment and that's a big opportunity for us, that we are looking to clearly exploit.

And the licensing of the product in the U.S. is going well. We have been through the prelicensing phase of our own analysis of acceptability and consultation with the NRC. And we are looking to make a formal application to the NRC in Q2 so that we can progress that licensing, in parallel with marketing our EC6 product to hyperscalers. So I see this as an important kind of move forward in the opportunities ahead for CANDU and Nuclear.

Frederic Bastien^ Thanks Ian that's great color. That's all I had. Thank you.

Ian Edwards^ Thank you.

Operator^ Thank you. Our next question comes from Maxim Sytchev your line is open, with NBCM.

Maxim Sytchev^ Hi good morning gentlemen. Most questions were asked. But just in terms of priorities between NCIB and M&A. I don't know if Jeff wants to kind of tackle this one, but do you mind maybe walking perhaps through your frame of kind of reference and what is more accretive right now from your perspective? Thank you.

Jeff Bell^ Yes. Why don't I take that, Max, this is Jeff. I think as we've always said about our capital allocation framework, what we like about it now that we've got the balance sheet clearly in a great position, is that we see the opportunity to deploy capital in both areas. And I think what you've seen here in the first four or five months is exactly that. We opportunistically looked at where the share price is. And have a view clearly that the long-term value of the Company is significant and significantly higher than today, and therefore have been happy to deploy capital through share buybacks.

At the same time very conscious that there is real opportunity for us and there is great opportunity, particularly on the engineering services side of the business, in the U.S. as well as some of the other markets we've seen like Australia to grab capability and use that as a platform to continue to drive our organic growth capability. And we think that creates significant value over a period of time as well.

So I think we're in a position where both create significant value for shareholders. And therefore we will expect to deploy capital that way. And frankly, we'll be a bit opportunistic about the relative weight of that depending on the opportunity you set in front of us.

Maxim Sytchev^ Okay thanks for the color. Thank you so much.

Jeff Bell^ Thank you.

Operator^ Thank you. Our next question comes from Jonathan Goldman with Scotiabank. Your line is open.

Jonathan Goldman^ Hey good morning team thanks for taking my questions. Just one for me -- just making sure I got this right. You did EBITDA \$254 million in the quarter, looks

like you didn't change the EBITDA seasonality guidance for the year. If we use the rate that you have for Q1, it implies you would do like \$1.3 billion plus of EBITDA this year. That's materially above the street, like 13% above. And I know you've done some acquisitions, some tuck-ins, maybe that are not reflected there. But am I thinking about that the right way?

Jeff Bell^ Yes. I mean I think what I'd say is the first quarter was clearly at or above what has historically been our guidance. I don't think I would just sort of straight line that from here. So I think we would expect to move back towards that guidance. And so I think that's the way I think about modeling it, Jonathan, not to just sort of straight line it off the first quarter which has been particularly strong which we're really pleased about.

Jonathan Goldman^ So would it be fair to say that Q1 was probably at the higher end of that 18% to 20% range, seasonality.

Jeff Bell^ Yes. yes, for sure.

Jonathan Goldman^ Perfect thank you for taking my questions.

Jeff Bell^ You're very welcome tahk you.

Operator^ I'm showing no further questions at this time. I'd like to turn the call back over to Denis Jasmin for closing remarks.

Denis Jasmin^ Thank you very much everyone, for joining us this morning. Hope you have a nice rest of the day. If you have any further questions, please do not hesitate to contact me. Thank you very much, everyone. Bye, bye.

Operator^ Thank you for your participation. You may now disconnect. Good day.