

WSP Global Inc. (WSP.TO)

Rating: Buy	Price C\$284.47	Yield 0.5%	Market Cap. C\$37.3B	52-Week Range C\$289.94 – C\$208.35
Data as of 08/06/2025				

Sector	Industrials
Subsector	Capital Goods
Investment Category	Large Cap
Price Movement	Average

Company Overview

WSP is one of the world's leading engineering consulting firms, providing the experts that help build skyscrapers, railroads, high-speed rail, dams, wastewater projects, power stations and many other types of major infrastructure projects. WSP has over 66,500 engineers, technicians, scientists, architects, planners, surveyors, environmental specialists and construction management professionals. WSP Global is headquartered in Montreal, Canada. WSP's competitors include AECOM, SNC-Lavalin, and Stantec.	
Revenues International	81%
Standard & Poor's/Moody's	NA/NA
MSCI ESG Rating	AA/Leader

Dividend Outlook (1-Year): Stable

Annualized Payment	C\$1.50
Last Change	300% (Mar 16, 2011)
Consec. Yrs Increased	0
Paid Since	2006
5-Yr. Trailing Growth	0%
Long-Term Growth Est.	0%
Payout Ratio ('25)	16%
Dividends Paid	Jan, Apr, Jul, Oct

**Commentary:** WSP has paid the same dividend per share since 2011. We expect that the company will continue to use the strong flow of cash generated by its business to keep the dividend stable and make additional acquisitions.

Valuation & Earnings

	'24A	'25E	'26E
Earnings Per Share	8.05	9.41	10.80
P/E	35.3x	30.2x	26.3x
PEGY	2.8x	2.4x	2.1x
LT EPS Growth Est.			12%
Est. Earnings Date	November 05, 2025		
All earnings per share and dividend figures are in Canadian Dollars.			

Annualized Total Returns	1yr	3yr	5yr
WSP Global Inc.	34%	23%	28%
S&P/TSX Industrials Index	10%	9%	12%
S&P/TSX Index	31%	16%	14%

Data as of 8/6/25. Source: FactSet. Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

Shares of this company may not be available for purchase by United States residents. Consult your financial advisor for more information.

Investment Summary

We rate shares of WSP Global (WSP) a Buy. WSP is one of the world's leading engineering consulting firms, specializing in high-rise buildings and highly technical transportation projects. WSP has grown through acquisitions, growing shareholder value in the process, and we expect it will continue to use the cash generated by its business to make value-enhancing acquisitions. In addition, we believe WSP is well-positioned to benefit from growth in Canadian infrastructure spending.

Outlook

**Managing highly technical projects gives WSP an edge** – WSP's engineering work can be seen in some of the highest-profile building projects around the world, and it has a track record of delivering high-quality work within budget and on time. We think completing big prestige projects, such as the Shard in London, gives WSP a competitive advantage for bidding on additional highly technical projects, and allows WSP to attract some of the best engineers.

**Acquisition strategy creating value** – WSP has grown both its skill sets and geographic reach through acquisitions. WSP has been good at seeking out and executing acquisitions that create shareholder value. Over the last five years, the company has done over 20 acquisitions, with the recent Golder Associates purchase being the most significant.

**Valuation and Recent Performance** – WSP Global sells at about 26 times our 2026 earnings estimate, aligned with its five-year average of 26 times. In light of our solid growth outlook, we believe that the shares are attractively priced. WSP has outperformed the market and industrial peers over the past one-, three- and five-year periods due to its successful acquisition strategy, which has generated consistent earnings growth despite uneven economic conditions.

**Risks** – The primary downside risks to our Buy recommendation include negative changes in global political or economic conditions, project delays, and potential difficulty in integrating future acquisitions. Since approximately 81% of WSP's revenues are denominated in foreign currencies, a prolonged strengthening of the Canadian dollar would also impact the company's sales and profitability.

Key Developments

**8/6/25:** WSP Global reported second-quarter adjusted earnings per share of C\$2.35, above the average analyst estimate of C\$2.27 and representing a 24.3% increase from the prior-year period. Revenues were aligned with expectations and increased 3.5% organically (excluding currency effects and acquisitions), with growth led by U.S., U.K., and Canada, partially offset by weakness in Asia Pacific. Profitability expanded from the prior-year period, mainly driven by the company's focus on productivity. Backlog grew roughly 11% from the same quarter of last year, representing 11 months of revenue. WSP adjusted its forecast for 2025 profits, expecting to earn at the high end of the prior range given, C\$2.50 billion-C\$2.55 billion. This implies nearly 17% growth at the midpoint from last year and is aligned with consensus forecasts. WSP reaffirmed its targets for sales.

We think WSP had a respectable quarter, with healthy organic revenue growth and strong cash-flow generation, despite an uncertain economic environment. We expect that varied performance across the business will continue, with better growth from the Americas relative to Europe and Asia. WSP made broad-based improvements to profitability across all regions. WSP's continued execution is the driver of the improved profit guidance. The integration of Power Engineers, a U.S.-based consulting firm specializing in the power and energy sector, appears to be going well. Additionally, the backlog in the base business remains robust and ended the quarter at C\$16.3 billion, which should complement growth from acquisitions. We think the pipeline of opportunities for WSP remains healthy due to global infrastructure stimulus investment tailwinds. With management executing effectively on both organic growth and identifying attractive acquisition candidates, we remain confident in our long-term growth outlook for WSP.

Analyst: Faisal Hersi, CFA

Please see important disclosures and analyst certification on page 2 of the report.

Analyst Certification

I certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers; and no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. Faisal Hersi, CFA

Required Research Disclosures



August 7, 2025	BUY	HOLD	SELL
Stocks	54%	45%	0%
Investment Banking Services	4%	6%	0%

The table lists the percent of stocks we follow globally in each of our rating categories. Investment banking services indicate the percentage of those companies where the firm has acted in furtherance of a public offering of the issuer within the past 12 months.

- Initiated coverage (BUY) 09/15/17.....(B) 09/15/17-
- Analysts receive compensation that is derived from revenues of Edward Jones as a whole which include, but are not limited to, investment banking services revenue.

**Opinion Rating Definitions:** **Buy (B)** - We believe the valuation is attractive and total return potential is above average over the next 3-5 years compared with industry peers. **Hold (H)** - We believe the stock is fairly valued and total return potential is about average over the next 3-5 years compared with industry peers or a special situation exists, such as a merger, that warrants no action. **Sell (S)** - We believe the stock is overvalued and total return potential is below average over the next 3-5 years compared with industry peers. In some cases we expect fundamentals to deteriorate considerably and/or a recovery is highly uncertain. **FYI (FYI)** - For informational purposes only; factual, no opinion. **Under Review (UR)** – Our rating, estimates, and opinion for this company are under review and should not be relied upon for making investment decisions until updated.

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- Dividend Outlook (1-Year): Rising – We believe the dividend is likely to increase based on historical trends, the current payout ratio, and/or expected future earnings and cash flow; Stable – We believe the dividend is stable at the current level and is unlikely to increase or decrease; At Risk – We believe the dividend is at risk of being reduced or eliminated; No Dividend – This company does not pay a dividend.
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- Price Movement: Above Average (AA) – This stock will likely be more volatile than the average stock in the S&P 500 Index. These companies are often growing faster than the average company and/or are in industries that are more sensitive to the economy. Average (A) – This stock will likely experience volatility similar to the average stock in the S&P 500 Index. Below Average (BA) – This stock will likely be less volatile than the average stock in the S&P 500 Index. These companies are often more mature, grow more slowly than the average company, and/or are in industries that are less sensitive to the economy.
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