

Q1 2020 Results

wsp

May 6th, 2020

CAUTIONARY STATEMENT AND NON-IFRS MEASURES

CAUTIONARY STATEMENT

- Certain information regarding WSP contained herein may constitute forward-looking statements. Forward-looking statements may include estimates, plans, objectives, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact, including statements regarding the sufficiency of WSP's liquidity and working capital requirements for the foreseeable future, objective for second quarter to maintain the Corporation's free cash flow in excess of net earnings and an adjusted EBITDA margin profile similar to same quarter last year and WSP's expectation regarding timing of a revised outlook. Forward-looking statements made by the Corporation in this presentation are based on a number of assumptions believed by the Corporation to be reasonable as at May 6, 2020, including assumptions about general economic and political conditions; the state of the global economy and the economies of the regions in which the Corporation operates; the state of and access to global and local capital and credit markets; the anticipated impacts of COVID-19 on the Corporation's businesses, operating results, cash flows and/or financial condition, including the effect of measures implemented as a result of COVID-19.
- Although WSP believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements, including risks relating to the COVID-19 pandemic. WSP's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The complete version of the cautionary note regarding forward-looking statements as well as a description of the relevant assumptions and risk factors likely to affect WSP's actual or projected results are included in the Management's Discussion and Analysis for the year ended December 31, 2019 and for the quarter ended March 28, 2020, which are available on SEDAR at www.sedar.com. The forward-looking statements contained in this presentation are made as of the date hereof and WSP does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

NON-IFRS MEASURES

- The Corporation reports its financial results in accordance with IFRS. However, in this presentation, the following non-IFRS measures are used by the Corporation: net revenues; adjusted EBITDA; adjusted EBITDA margin; adjusted net earnings; adjusted net earnings per share; backlog; free cash flow; days sales outstanding ("DSO") and net debt to adjusted EBITDA ratio. Additional details for these non-IFRS measures, including a reconciliation of such measures to the most directly comparable IFRS measures, can be found in WSP's MD&A for the first quarter ended March 28, 2020, which is posted on WSP's website at www.wsp.com, and filed on SEDAR at www.sedar.com
- Management believes that these non-IFRS measures provide useful information to investors regarding the Corporation's financial condition and results of operations as they provide key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meanings prescribed under IFRS and may differ from similar computations as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

ALL AMOUNTS ARE EXPRESSED IN CANADIAN DOLLARS

OUR RESPONSE TO COVID-19



- **Business continuity plans into full effect**
- **Leverage our technology investments**
- **Continue to serve our clients with agility**
- **Assisting our Healthcare clients globally to provide rapid responses to the pandemic**

GOOD OPERATIONAL PERFORMANCE IN LINE WITH EXPECTATIONS

- ✓ **Positive organic growth : 1.1% for Q1 2020**
- ✓ **Adjusted EBITDA margin* in line with expectations**
- ✓ **Strong backlog* growth with \$8.5B or 11.1 months of revenue**
- ✓ **Solid balance sheet**

Q1 CONTEXT

COVID-19

Uncertainty
in the
United Kingdom

Q1 2020

Depressed
oil & gas industry

One less billable
day in Q1 2020

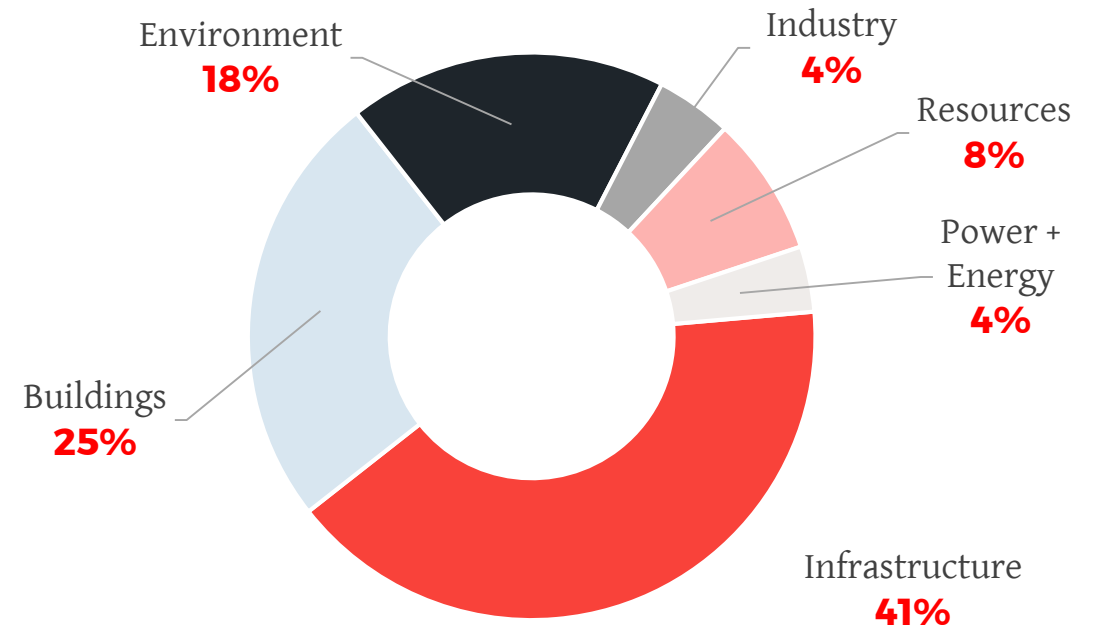
Q1 2020 Overview



CANADA

- 0.6% organic contraction in net revenues by segment
- 15.3% adjusted EBITDA margin by segment
- Backlog* organic growth of 0.1% compared to Q4 2019
- Backlog* organic growth of 8.0% compared to Q1 2019

Net revenues breakdown – Q1 2020



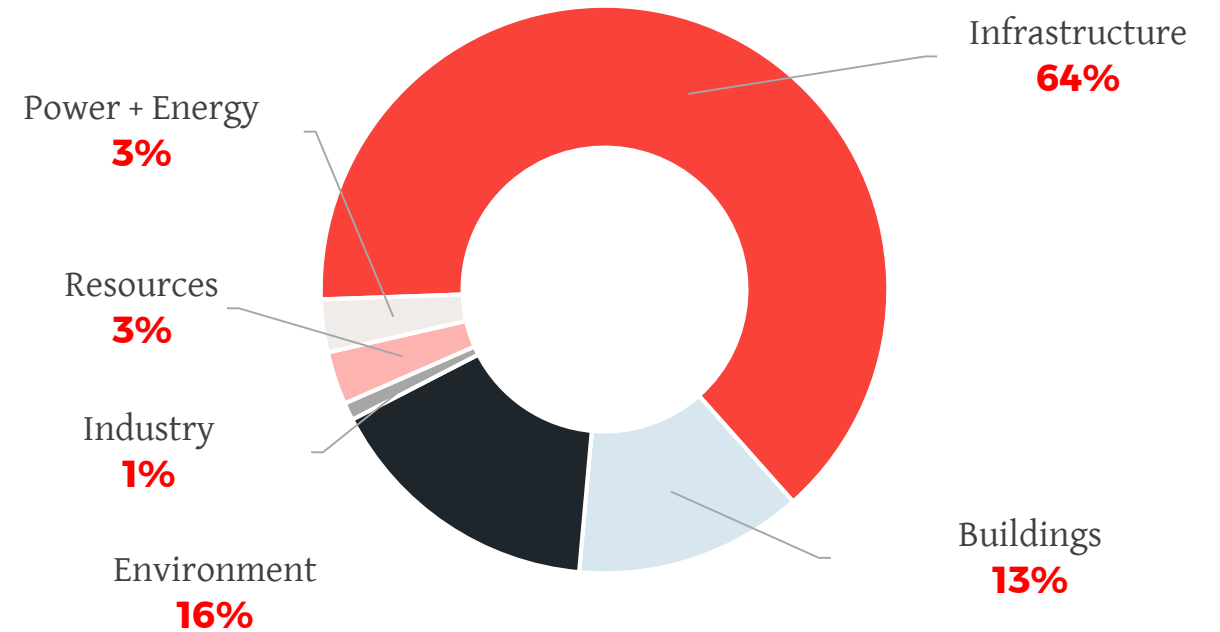
**Non-IFRS measures. These measures are defined in section 20, "Glossary of non-IFRS measures and segment reporting measures" of the management's discussion and analysis for the quarter ended March 28, 2020.*



AMERICAS

- 1.5% organic growth in net revenues by segment
- 13.4 % adjusted EBITDA margin by segment
- Backlog* organic growth of 0.8% compared to Q4 2019
- Backlog* organic growth of 2.6% compared to Q1 2019

Net revenues breakdown – Q1 2020



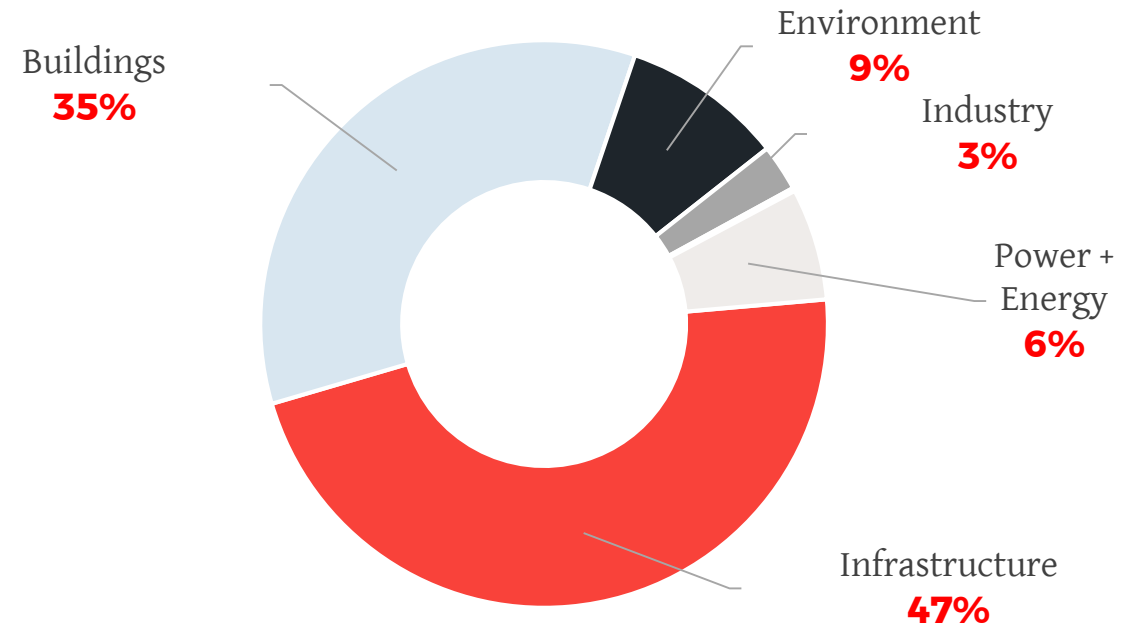
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EMEIA

- 0.6% organic growth in net revenues by segment
- 13.2% adjusted EBITDA margin by segment
- Backlog* organic growth of 13.5% compared to Q4 2019
- Backlog* organic growth of 4.3% compared to Q1 2019

Net revenues breakdown – Q1 2020



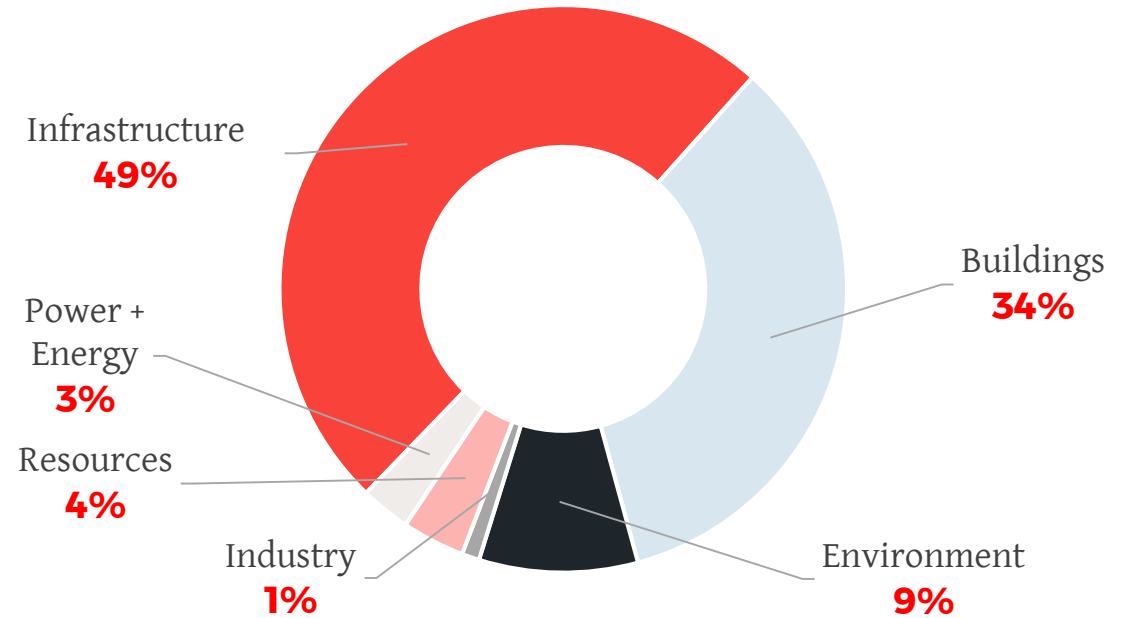
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APAC

- 3.3% organic growth in net revenues by segment
- 15.0% adjusted EBITDA margin by segment
- Backlog* organic growth of 0.5% compared to Q4 2019
- Backlog* organic growth of 13.2% compared to Q1 2019

Net revenues breakdown – Q1 2020



**Non-IFRS measures. These measures are defined in section 20, "Glossary of non-IFRS measures and segment reporting measures" of the management's discussion and analysis for the quarter ended March 28, 2020.*

Q1 2020 Key Events

MAJOR Q1 2020 PROJECT WINS - AMERICAS



U.S Navy waterfront projects within the Naval Facilities Engineering Command's northwest area of operations

- Great example of the revenues synergies resulting from the integration of Louis Berger into our US operations
- Awarded a USD\$ 100M contract over a total of five years (January 2025)

MAJOR Q1 2020 PROJECT WINS - CANADA



City of Toronto's Watermain Rehabilitation Program

- Three-year assignment
- One of the largest watermain structural lining programs in North America
- Total of approximately \$19 million in fees

MAJOR Q1 2020 PROJECT WINS - EMEIA



Highways England's brand-new Smart Motorways Alliance.

- Confirms our position as a trusted delivery partner to Highways England
- The value of the Alliance is £4.5B over ten years for the six partners

CONTINUED INVESTMENT IN ENVIRONMENT



LT Environmental Inc.

- 140 employees
- Environmental Consulting Firm
- Based in Colorado, US



Added **1470** employees to our Environment platform since January 2019



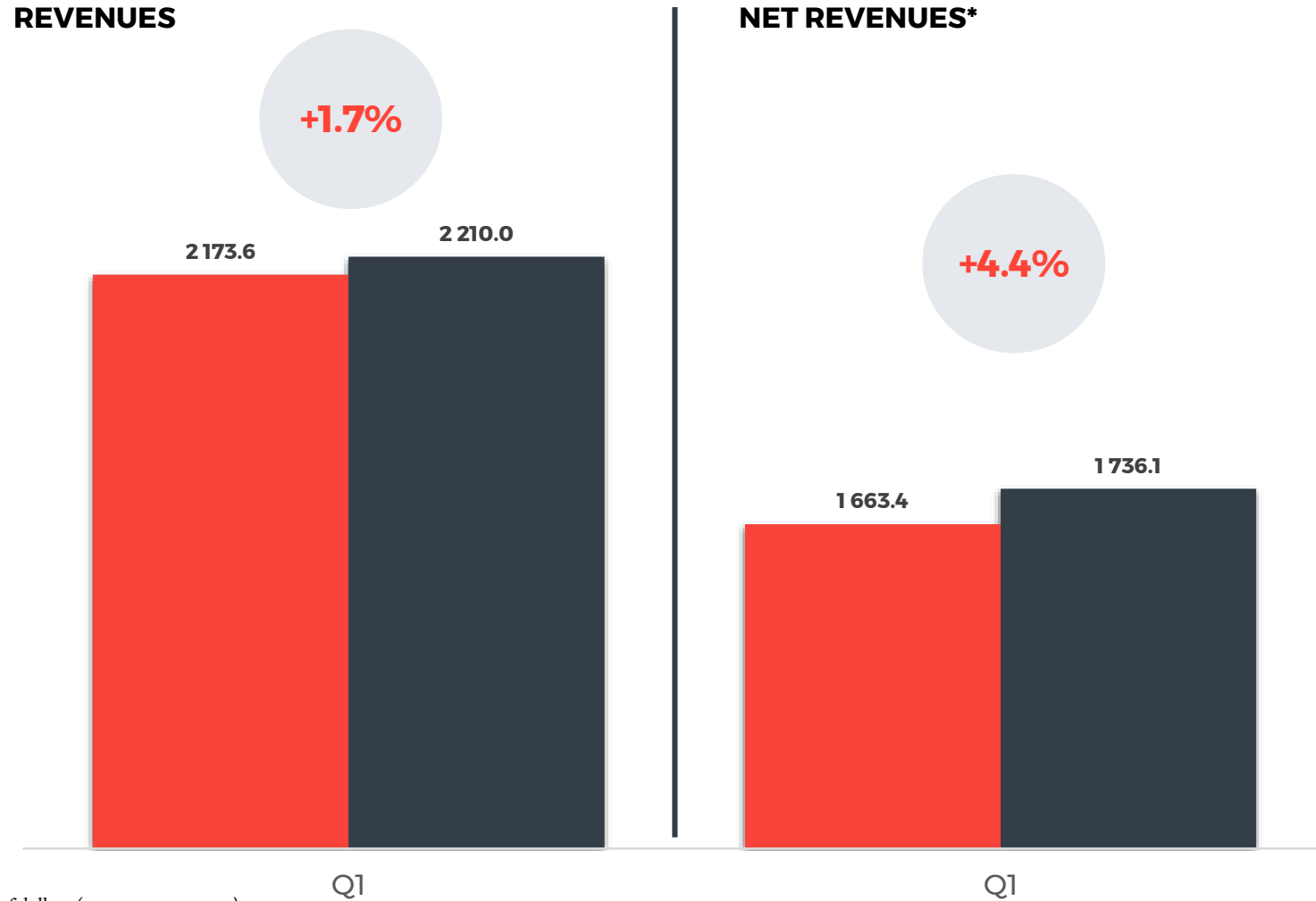
16% growth in headcount since 2018

DELIVERING ON OUR SUSTAINABILITY AMBITIONS

- First Professional Services Firm to Sign Sustainability-Linked Syndicated Credit Facility in the Americas.
- We amended our existing \$1,200 USD million syndicated revolving credit facility with terms up to 4 years, to include an annual pricing adjustment tied to the attainment of three sustainability performance targets.

**Q1 2020
Financial
Performance**

REVENUES AND NET REVENUES*

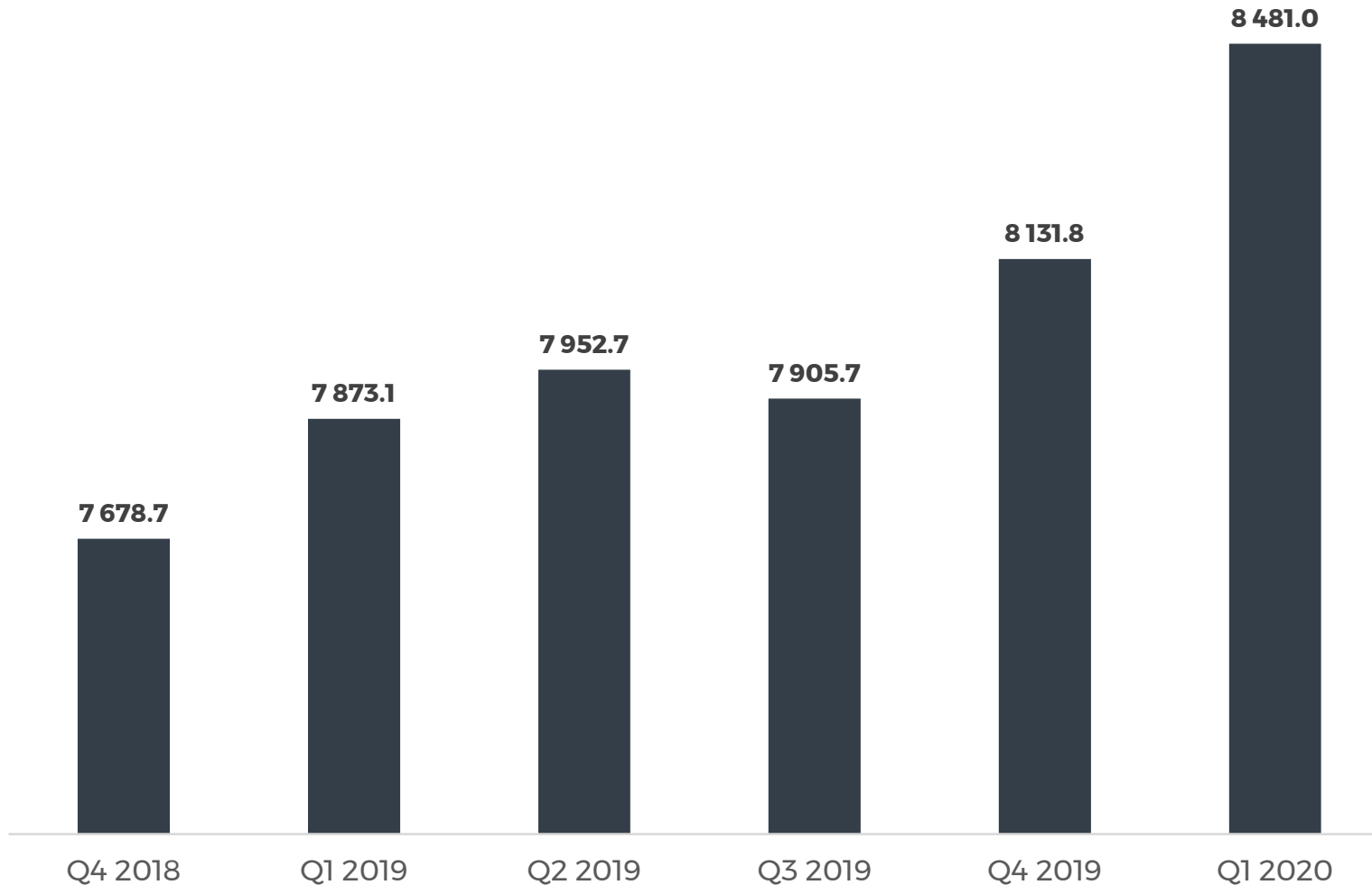


Numbers are quoted in million of dollars (except percentages).

*Non-IFRS measure. This measure is defined in section 20, "Glossary of non-IFRS measures and segment reporting measures" and reconciliations to IFRS measures can be found in section 9, "Financial Review" of the management's discussion and analysis for the quarter ended March 28, 2020.

■ 2019 ■ 2020

BACKLOG*



+5.3%
Backlog organic growth from Q1 2019

+3.7%
Backlog organic growth from Q4 2019

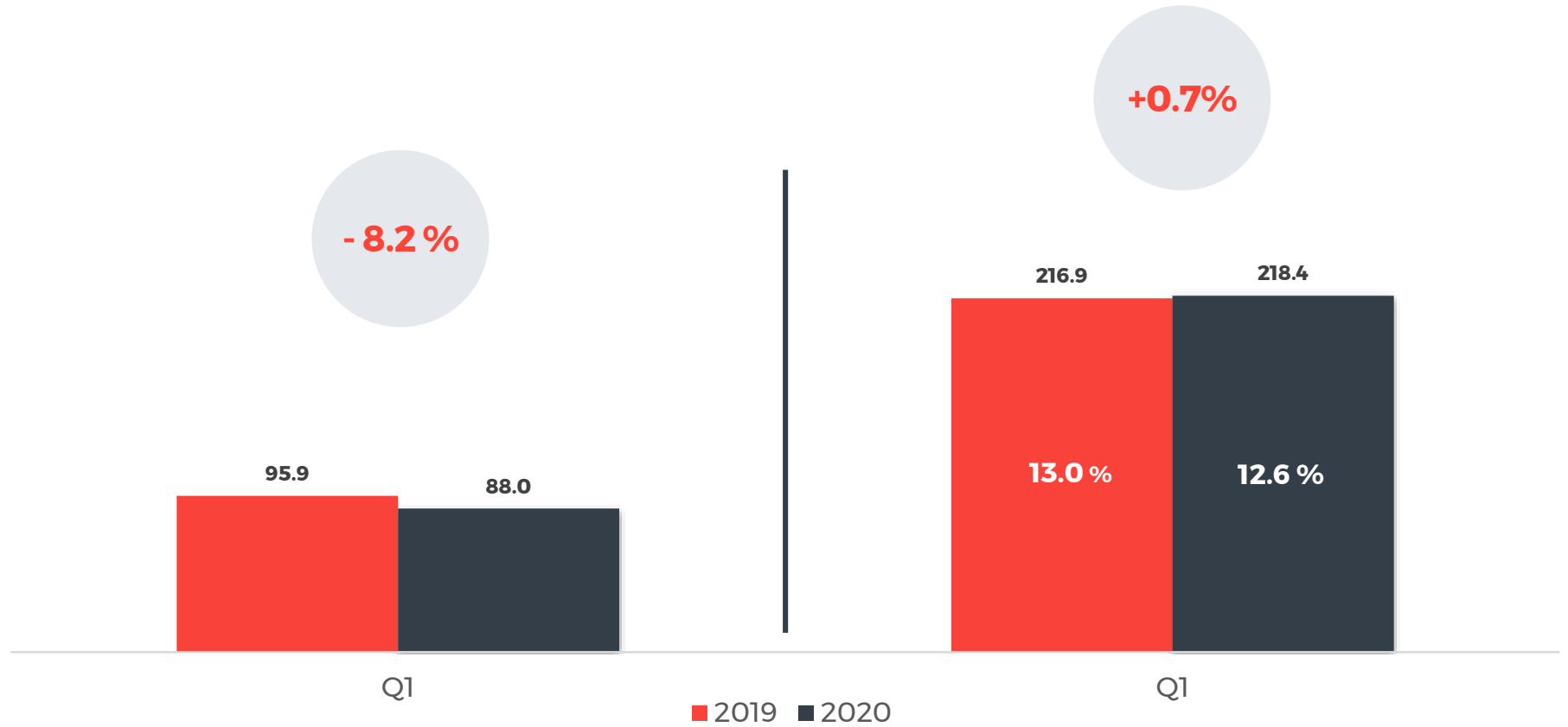
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PROFITABILITY

EARNINGS BEFORE NET FINANCING EXPENSE AND INCOME TAXES

ADJUSTED EBITDA* (\$) AND ADJUSTED EBITDA MARGIN* (%)

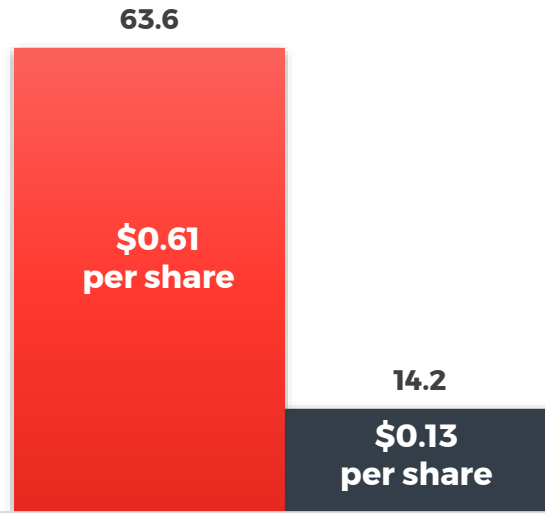


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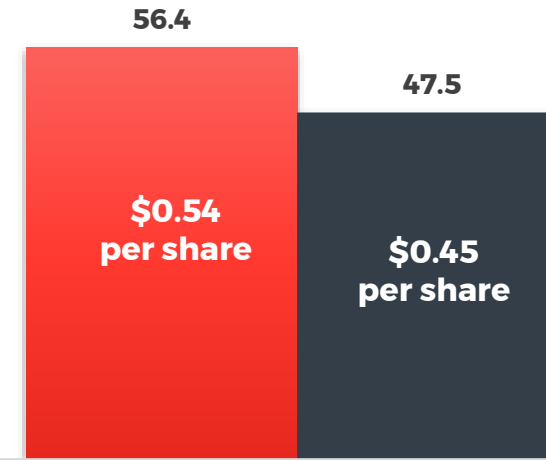
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NET EARNINGS

NET EARNINGS ATTRIBUTABLE TO SHAREHOLDERS (\$ and per share)



ADJUSTED NET EARNINGS* (\$ and per share)



The decrease is mainly attributable to:

1. Extreme market volatility resulting in non-cash reduction in value of investments related to a US-employees' deferred compensation plan
2. The reduction in value of foreign exchange forward contracts existing at the end of the quarter which will be used to hedge future transactions
3. Higher amortization and depreciation related to recent acquisitions

Note : Management has amended its definition of adjusted net earnings, effective January 1, 2020. The comparative period has been restated

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FINANCIAL POSITION

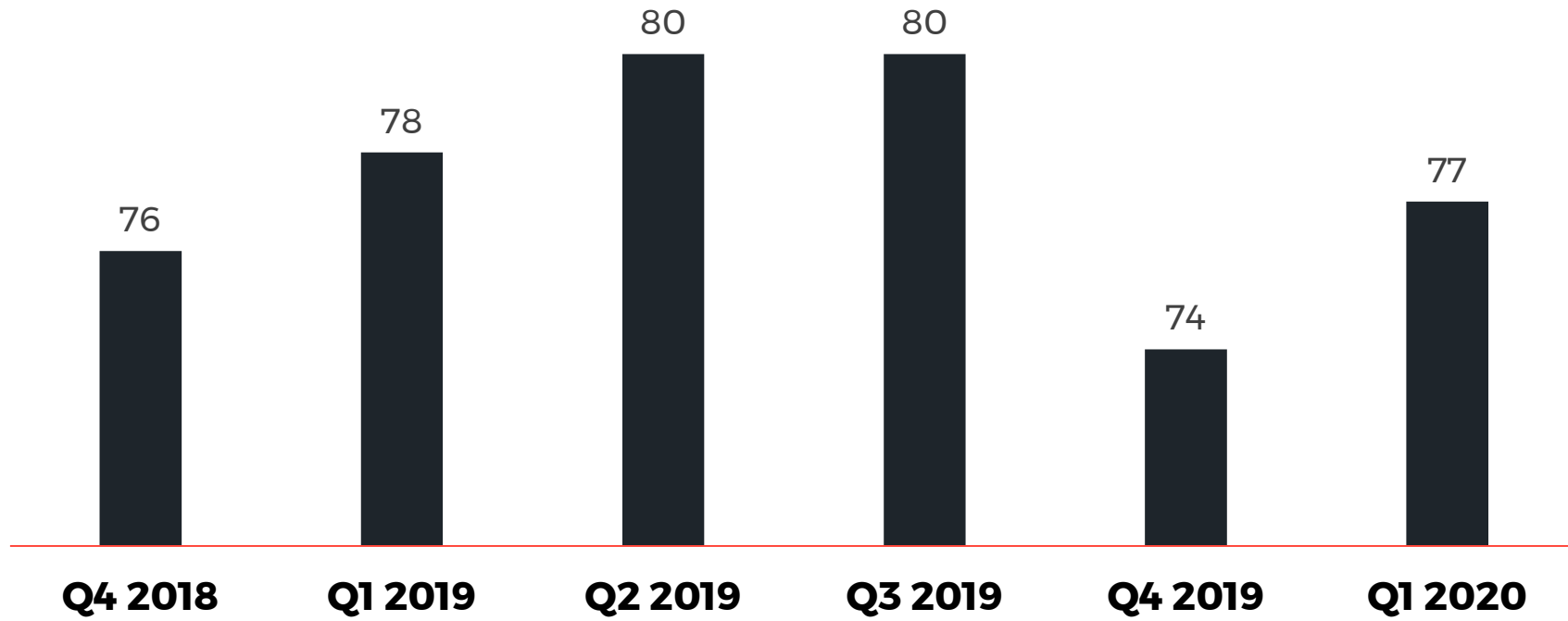
	Q1 2020
Long-term debt	\$2,274.9
Less: Cash and cash equivalents	(\$908.9)
Net debt*	\$1,366.0
Adjusted EBITDA*	\$1,038.3
Net debt/adjusted EBITDA ratio*	1.3x

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DAYS SALES OUTSTANDING (DSO)*

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Even though our 2019-2021 may be impacted, the underlying principles remain very much relevant in the context of these unprecedented times.

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Our clients remain at the centre of everything we do

We will strive to provide an environment where our people can deliver on their full potential

Our aim remains to be a top-tier player in every sector in which we operate, as the partner of choice for our clients

we will continue to build upon our diversified and resilient platform regardless of the current environment

All in view of becoming the premier consultancy in the industry

Q&A

wsp