

Q2 2020 Results

August 5th, 2020

wsp

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, outlook 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. Forward-looking statements made by the Corporation in this press release are based on a number of assumptions believed by the Corporation to be reasonable as at August 5, 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 the COVID-19 pandemic on the Corporation's businesses, operating results, cash flows and/or financial condition, including the effect of measures implemented as a result of the COVID-19 pandemic.
- 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 amended Management's Discussion and Analysis for the year ended December 31, 2019 and the Management's Discussion and Analysis for the quarter ended June 27, 2020, which are available on SEDAR at www.sedar.com. The forward-looking statements contained in this press release 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 press release, 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 second quarter ended June 27, 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

COVID-19 RESPONSE



- **90% working remotely**
- **Strengthened client relationships**
- **Shifted from response to Recovery**
- **Future Ready Advice**
 - **Rethinking urban planning**
 - **Future of public transport**
 - **Global supply chains**

2020 ENGINEERING NEWS RECORD ANNUAL RANKINGS



- **Top 225 International Design Firms Ranking**
 - **Ranked #2**
 - **#1 in the Transportation sector**

- **Top 200 Environmental firms**
 - **Ranked #6 up from 16th place in 2019 and 38th in 2018**

SOLID PERFORMANCE RESULTING IN STRONG FREE CASH FLOW AND AN INCREASED ADJUSTED EBITDA MARGIN*

- **Adjusted EBITDA margin* of 15.8% exceeded expectations**
- **Free cash flow* of \$410.8 million**
- **Cash inflows from operating activities of \$506.7 million**
- **Record backlog* growth with \$8.6B or 11.5 months of revenue**
- **Gross proceeds of \$572.7 million from successful equity offering**

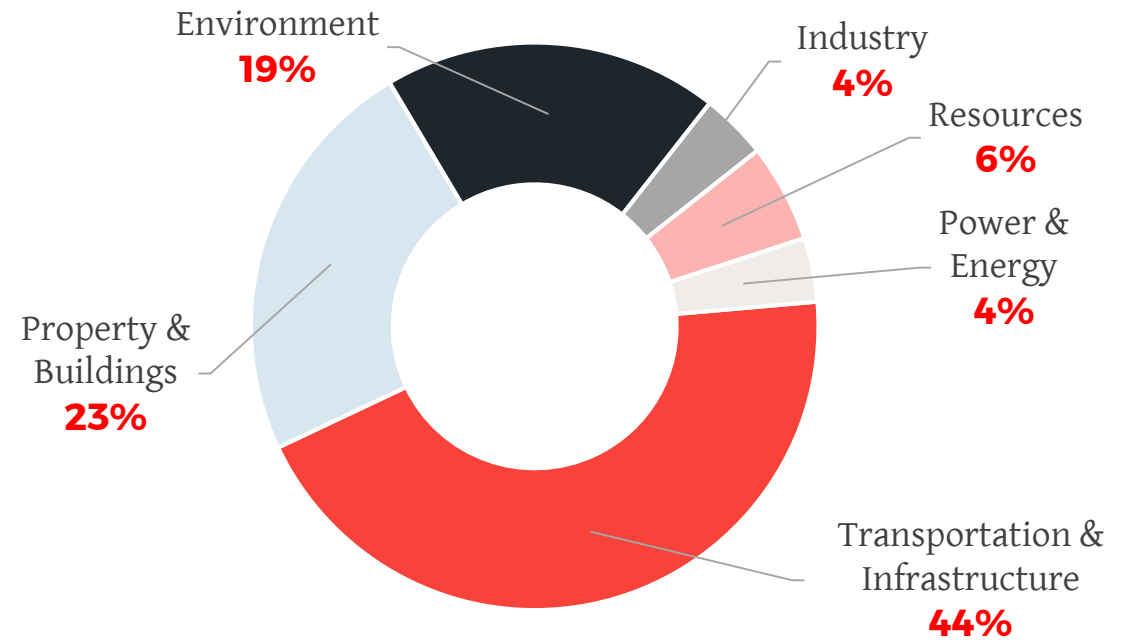
Q2 2020 Overview



CANADA

- 10.9% organic contraction in net revenues by segment
- 17.8% adjusted EBITDA margin by segment
- Backlog* growth of 0.7% compared to Q4 2019
- Backlog* contraction of 4.7% compared to Q2 2019

Net revenues breakdown – Q2 2020



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

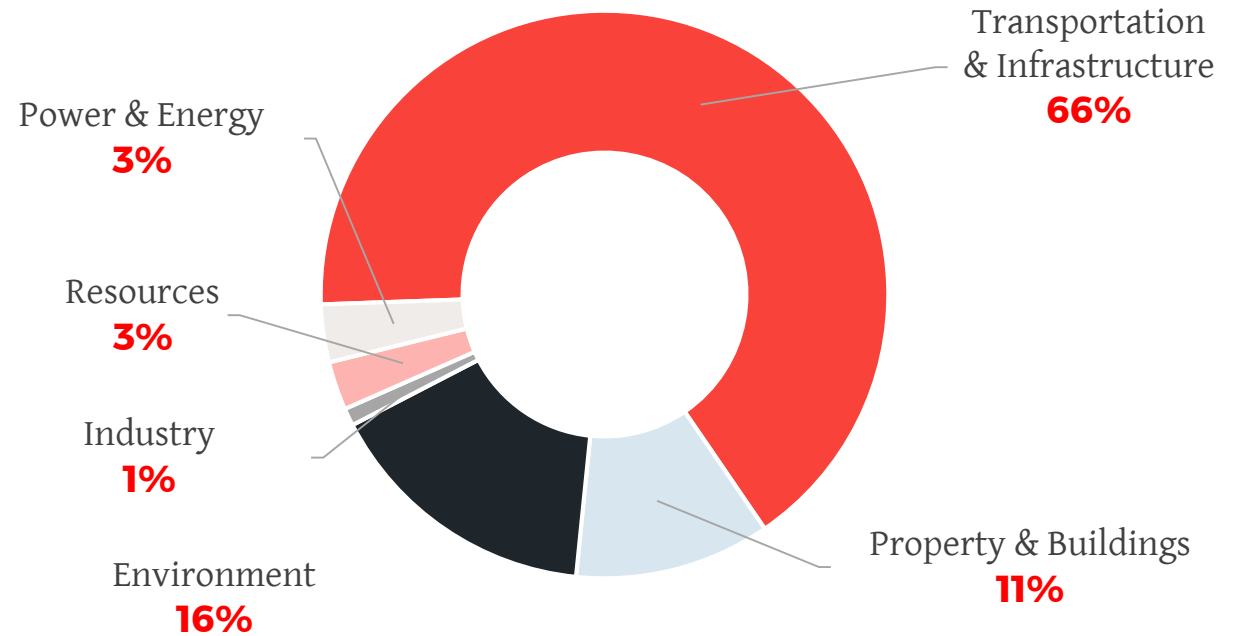
* Non-IFRS measure. This measure is defined in section 19, "Glossary of non-IFRS measures and segment reporting measures" of the management's discussion and analysis for the quarter ended June 27, 2020.



AMERICAS

- 3.5% organic contraction in net revenues by segment
- 19.9 % adjusted EBITDA margin by segment
- Backlog* organic growth of 0.4% compared to Q4 2019
- Backlog* organic growth of 5.4% compared to Q2 2019

Net revenues breakdown - Q2 2020



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

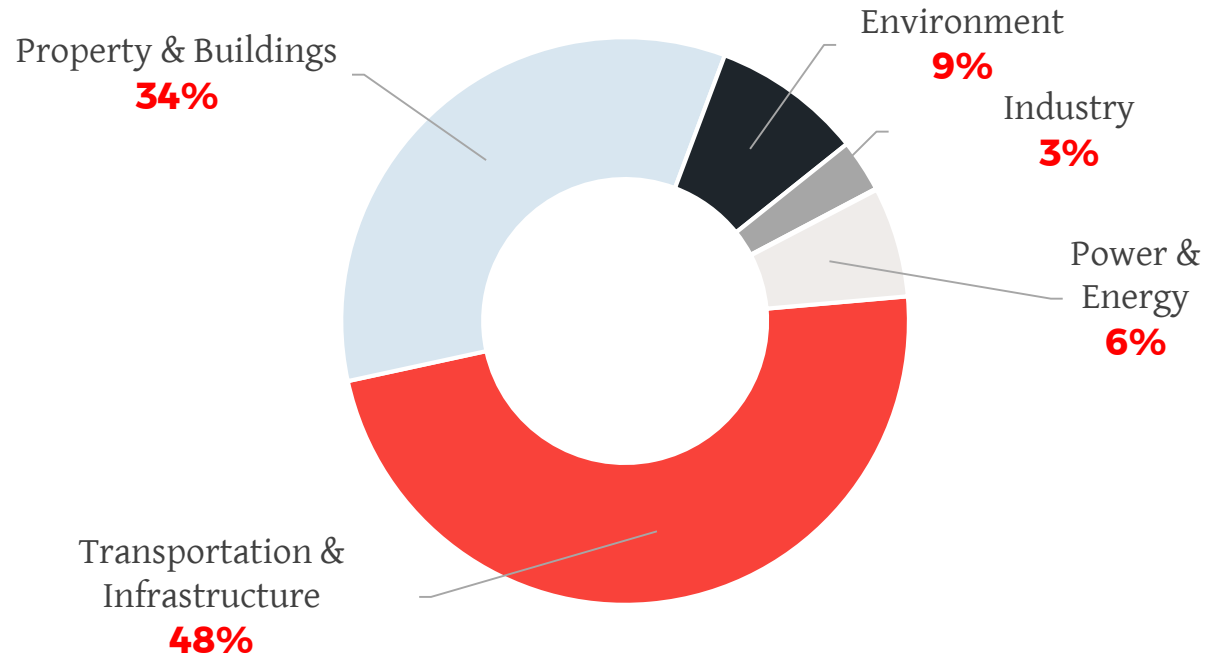
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EMEIA

- 8.9% organic contraction in net revenues by segment
- 14.2% adjusted EBITDA margin by segment
- Backlog* organic growth of 14.2% compared to Q4 2019
- Backlog* organic growth of 5.8% compared to Q2 2019

Net revenues breakdown – Q2 2020



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

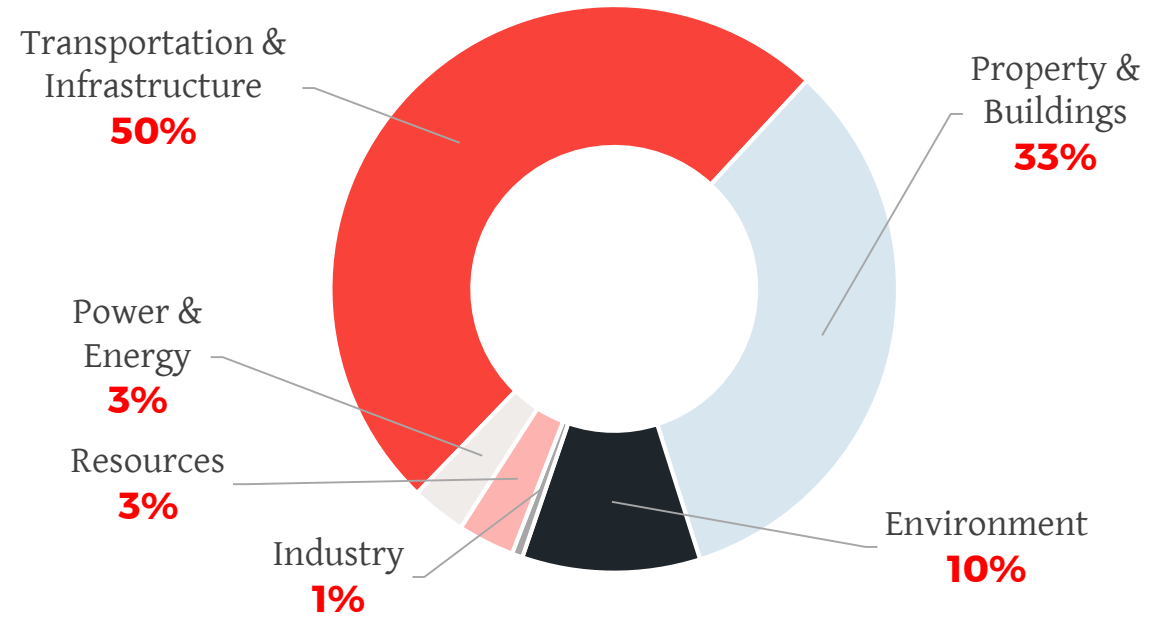
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APAC

- 5.0% organic growth in net revenues by segment
- 16.6% adjusted EBITDA margin by segment
- Backlog* organic growth of 3.8% compared to Q4 2019
- Backlog* organic growth of 12.6% compared to Q2 2019

Net revenues breakdown – Q2 2020



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Q2 2020 Key Events

MAJOR Q2 2020 PROJECT WINS - CANADA



Repair work for the Louis-Hippolyte-La Fontaine Tunnel

- Key member of the team awarded by the Minister of Transport of Québec
- Project to upgrade the 1.4 km long immersed tube tunnel to modern standards

MAJOR Q2 2020 PROJECT WINS - AMERICAS



Design & construction of eight miles on U.S. Route 50 in Sacramento

- Design for sound walls, pavement design and increasing vertical clearance at seven overcrossings

MAJOR Q2 2020 PROJECT WINS - EMEIA

The logo for PAGABO, featuring the word "PAGABO" in a bold, blue, sans-serif font. The letter 'A' is stylized with a triangle cutout, and the letter 'O' is stylized with a speech bubble tail.

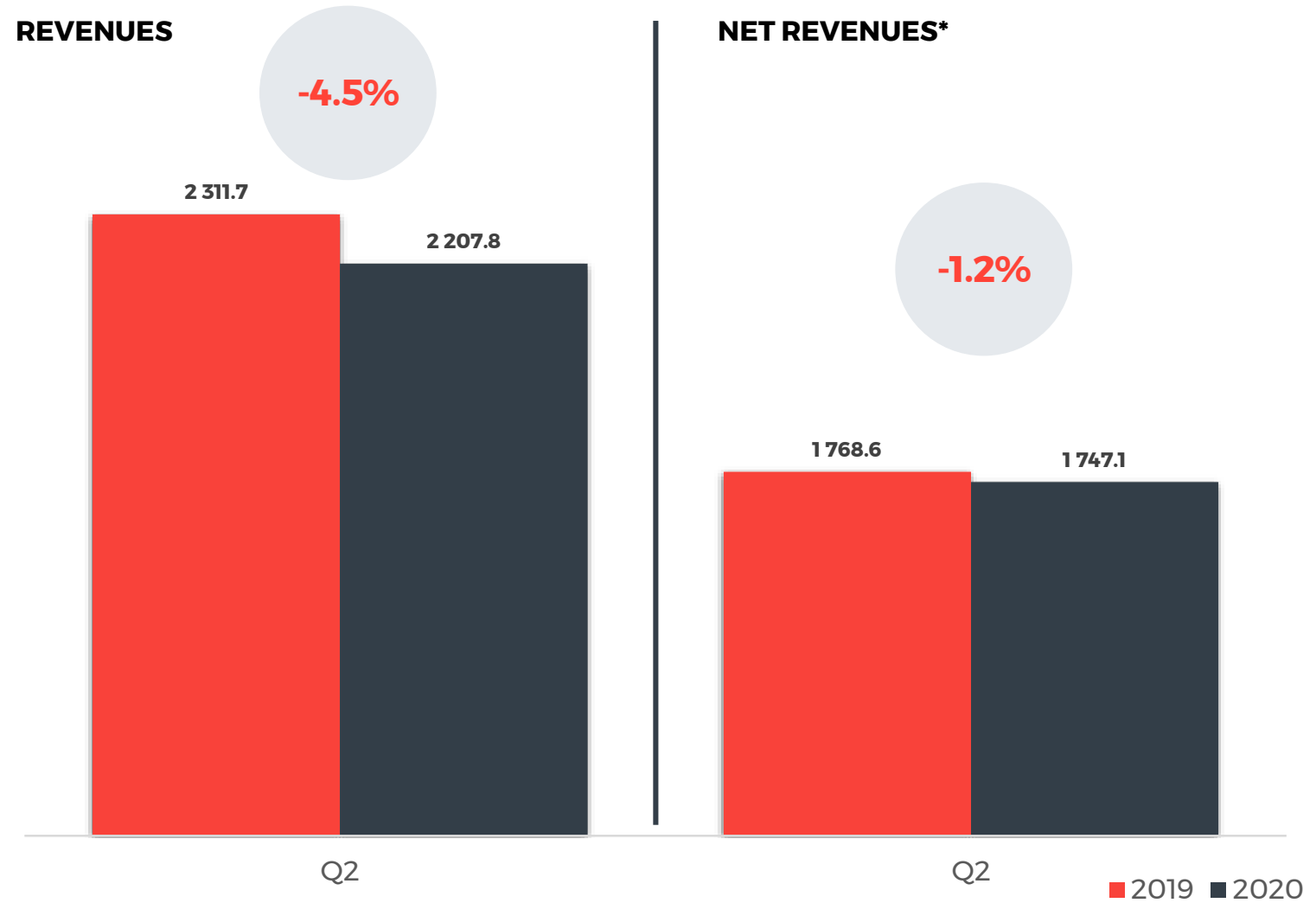
Simply better procurement

PAGABO Professional Services Framework

- National Framework that provides 160 public sector clients in the UK with a simple procurement process, speeding up the delivery of projects
- Appointment runs from April 2020 to April 2024, with the potential of bringing in millions each year as a preselected supplier.

Q2 2020 Financial Performance

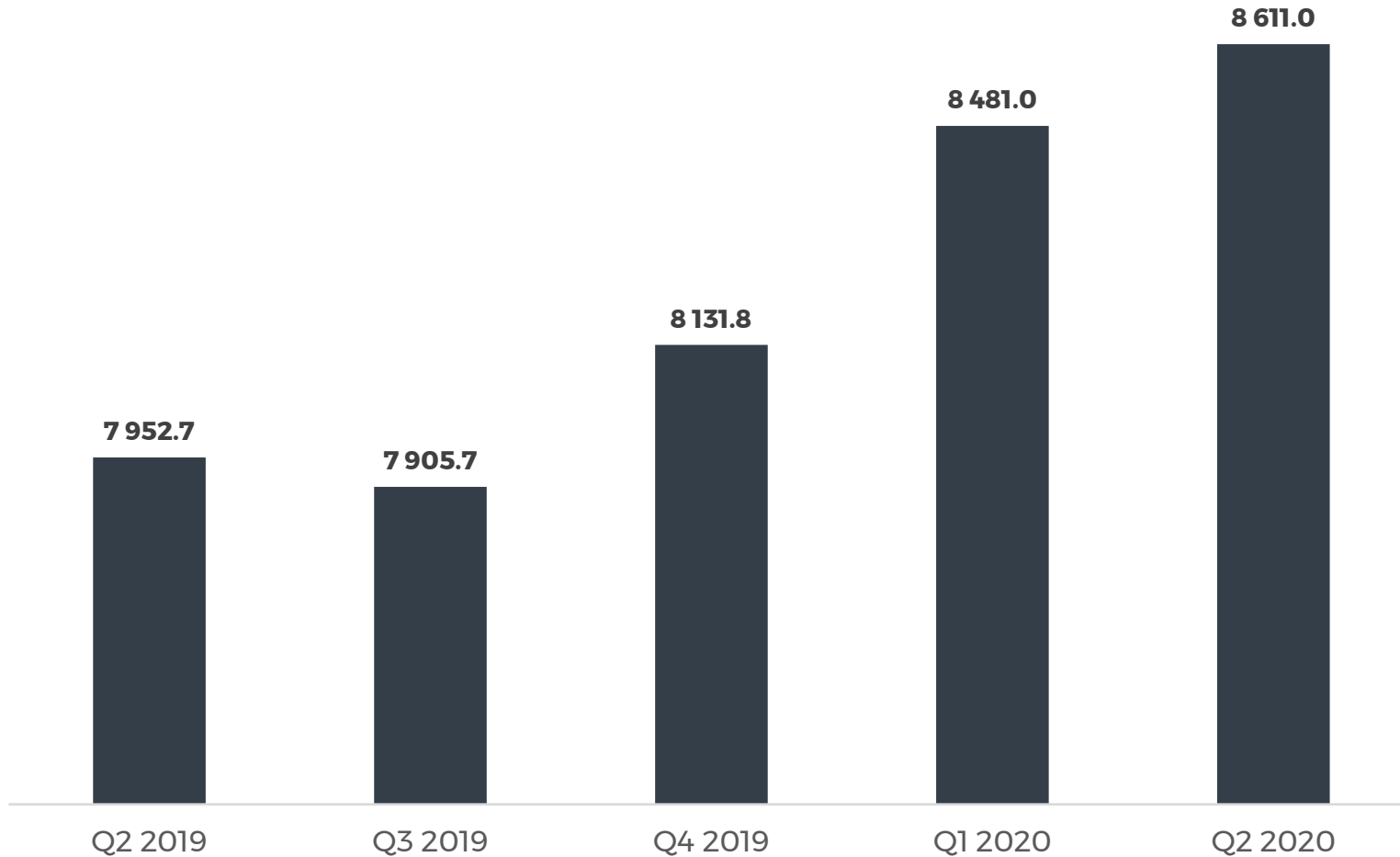
REVENUES AND NET REVENUES*



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

*Non-IFRS measure. This measure is defined in section 19, "Glossary of non-IFRS measures and segment reporting measures" of the management's discussion and analysis for the quarter ended June 27, 2020.

BACKLOG*



+5.2%
Backlog organic growth from Q2 2019

+4.3%
Backlog organic growth from Q4 2019

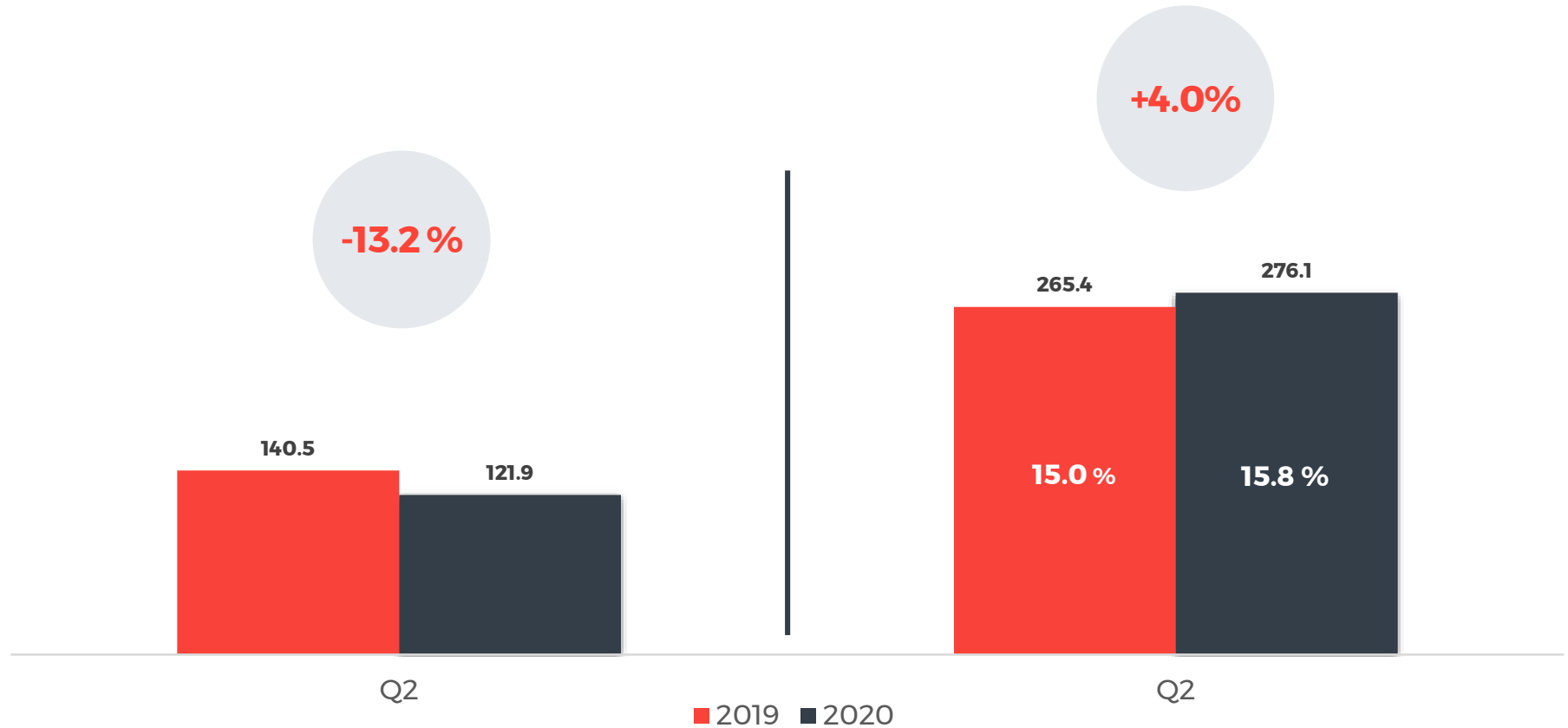
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PROFITABILITY

EARNINGS BEFORE NET FINANCING EXPENSE AND INCOME TAXES

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



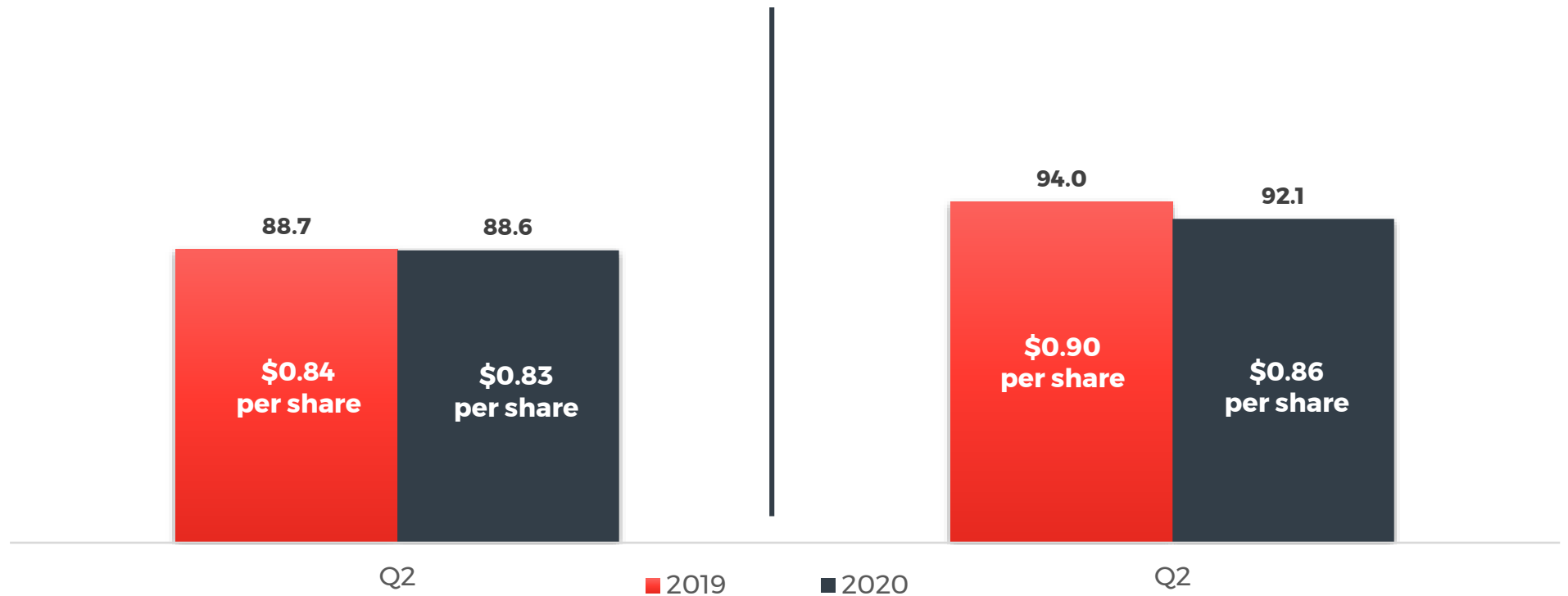
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NET EARNINGS

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

ADJUSTED NET EARNINGS*
(\$ and per share)

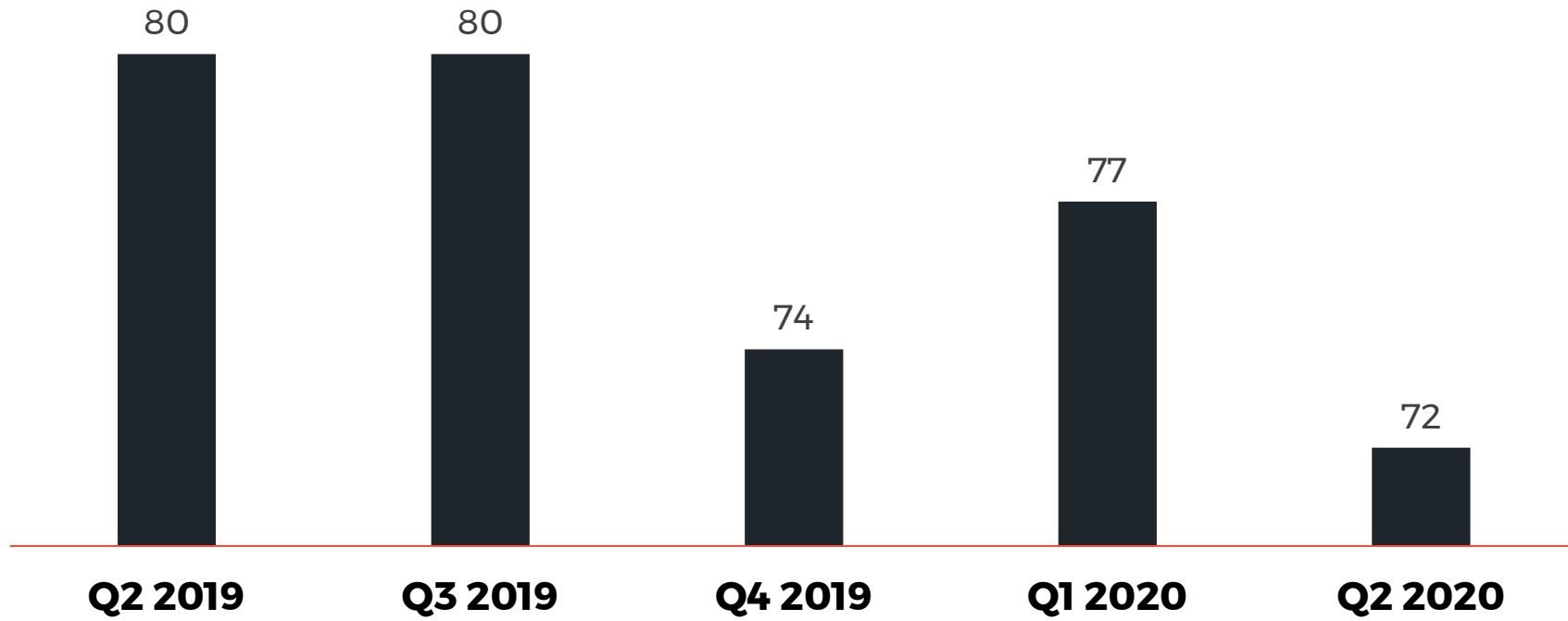


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DAYS SALES OUTSTANDING (DSO)*

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FINANCIAL POSITION

	As at June 27, 2020
Long-term debt	\$1,160.2
Less: Cash and cash equivalents	(\$711.8)
Net debt*	\$448.4
Adjusted EBITDA* for the twelve-months ended June 27, 2020	\$1,049.0
Net debt/adjusted EBITDA ratio*	0.4x

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OUTLOOK FOR 2020

	2020 UPDATED TARGET RANGE
Net Revenues *	Between \$6.7 billion and \$7.0 billion
Adjusted EBITDA*	Between \$1,000 million and \$1,050 million
DSO*	73 to 78 days
Net capital expenditures**	Between \$100 million and \$110 million
Acquisition, integration and restructuring costs	Between \$90 million and \$100 million

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Even though our 2019-2021 have been 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