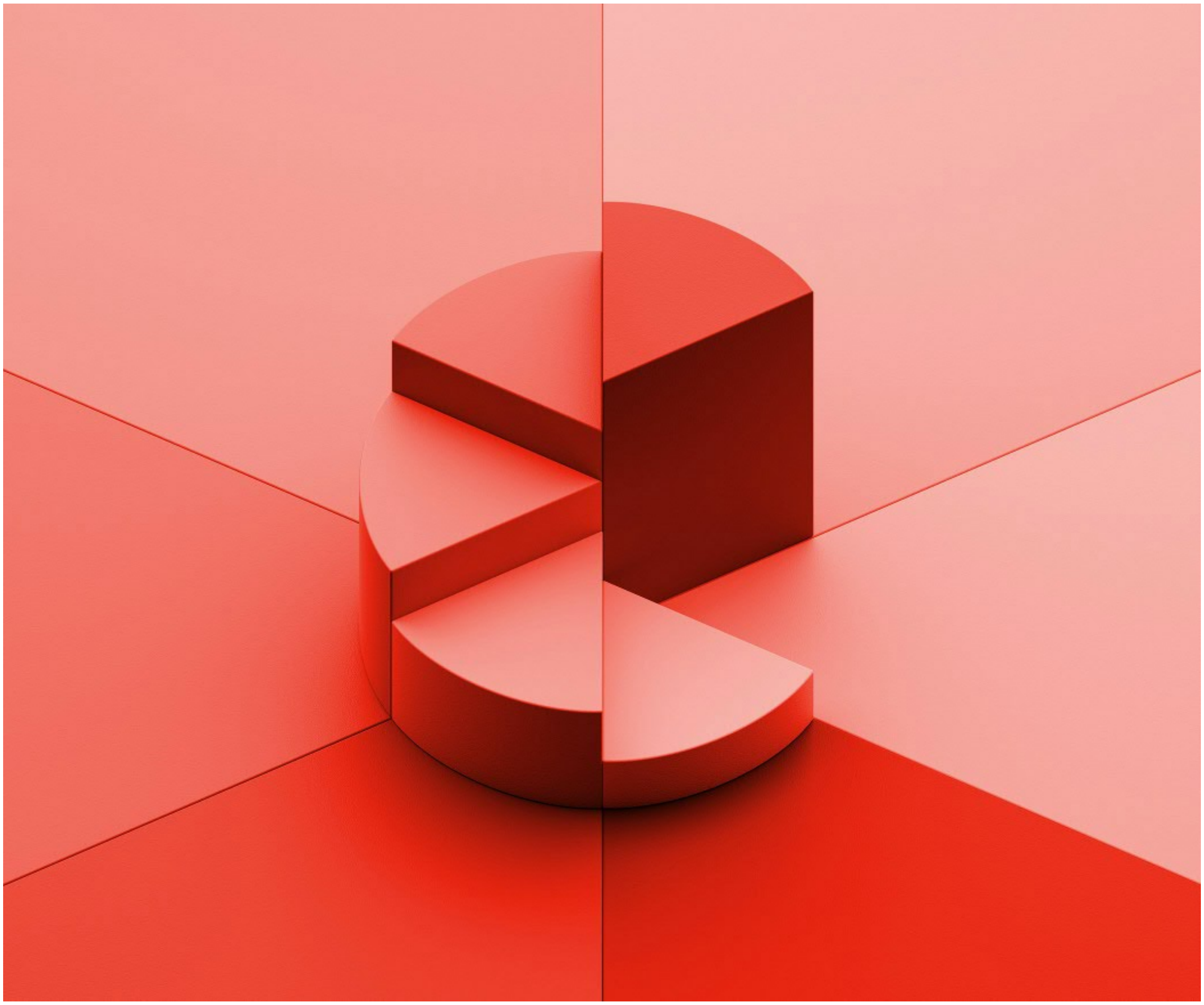
WSP GLOBAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FIRST QUARTER ENDED MARCH 28, 2020



May 6, 2020

ABOUT US

As one of the world's leading professional services firms, WSP provides engineering and design services to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. WSP's global experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. Our talented people are well positioned to deliver successful and sustainable projects, wherever our clients need us.

HEAD OFFICE
WSP GLOBAL INC.
1600 RENE-LEVESQUE BLVD WEST, 11th FLOOR
MONTREAL, QC H3H 1P9
CANADA

wsp.com

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1 MANAGEMENT’S DISCUSSION AND ANALYSIS

The following management’s discussion and analysis (“MD&A”) of the consolidated financial position and consolidated results of operations, dated May 6, 2020, is intended to assist readers in understanding WSP Global Inc. (the “Corporation” or “WSP”) and its business environment, strategies, performance and risk factors. This MD&A should be read together with the Corporation's unaudited interim condensed consolidated financial statements and accompanying notes for the quarter ended March 28, 2020 as well as the Corporation's MD&A and audited consolidated financial statements and accompanying notes for the year ended December 31, 2019. The Corporation’s unaudited interim condensed consolidated financial statements for the quarter ended March 28, 2020 have been prepared in compliance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated. All information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Corporation’s results for the first quarter ended March 28, 2020. The Corporation’s second and third quarters are always comprised of 13 weeks of operations. However, the number of weeks of operations in the first and fourth quarters will vary as the Corporation has a statutory December 31 year end. The first quarter results include the period from January 1, 2020 to March 28, 2020 and the comparative first quarter results include the period from January 1, 2019 to March 30, 2019.

In this MD&A, references to the “Corporation”, “we”, “us”, “our” and “WSP” or “WSP Global” refer to WSP Global Inc. Depending on the context, this term may also include subsidiaries and associated companies.

2 NON-IFRS MEASURES

The Corporation reports its financial results in accordance with IFRS. However, in this MD&A, 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. These measures are 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" and section 10, "Liquidity".

Management of the Corporation (“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 additional key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similarly-named measures 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.

3 CORPORATE OVERVIEW

As one of the world’s leading professional services firms, WSP provides engineering and design services to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. WSP's global experts include engineers, advisors, technicians, scientists, architects, planners, environmental specialists and surveyors, in addition to other design, program and construction management professionals. WSP's talented people are well positioned to deliver successful and sustainable projects, wherever clients need us.

The Corporation’s business model is centered on maintaining a leadership position in each of its end markets and the regions in which it operates by establishing a strong commitment to, and recognizing the needs of, surrounding communities, as well as local and national clients. WSP offers a variety of professional services throughout all project execution phases, from the initial development and planning studies through to the project and program management, design, construction management, commissioning and maintenance phases.

Under this business model, the Corporation benefits from regional offices with a full service offering. Functionally, sector leaders work together with regional leaders to develop and coordinate markets served, combining local knowledge and relationships with nationally recognized expertise. The Corporation has developed a multidisciplinary team approach whereby employees work closely with clients to develop optimized solutions.

The Corporation believes it has the capability and the depth of expertise to transform clients’ visions into realities that are sustainable in every sense - commercially, technically, socially and environmentally.

The market sectors in which the Corporation operates are described below.

- **Transportation & Infrastructure:** The Corporation’s experts advise, plan, design and manage projects for rail transit, aviation, highways, bridges, tunnels, water, maritime and urban infrastructure. Public and private sector clients, construction contractors and other partners seek WSP's expertise around the world to create mid and long-term transport and infrastructure strategies, and to provide guidance and support throughout the life-cycle of a wide range of projects. As WSP offers comprehensive, innovative and value-oriented solutions to assist clients in achieving their desired outcomes, the Corporation takes great pride in solving clients’ toughest problems. WSP offers a full range of services locally with extensive global experience to successfully deliver projects, helping clients overcome challenges and respond to emerging areas in new mobility, resiliency and funding the infrastructure gap.

- **Property & Buildings:** WSP is a world-leading provider of technical and advisory services with a track record in delivering buildings of the highest quality. The Corporation can be involved at every stage of a project’s life-cycle, from the business case, through design and construction, to asset management and refurbishment. The Corporation has teams of technical experts across the globe delivering engineering and consultancy services ranging from decarbonisation strategies and SMART building design to structural and mechanical, electrical, and plumbing (MEP) engineering. The Corporation is expert in enabling clients to maximize the outcome of their projects in sectors from high-rise to healthcare, stadia to stations and commercial to cultural.

- **Environment:** The Corporation has specialists working with and advising businesses and governments in all key areas of environmental consultancy. These experts deliver a broad range of services covering air, land, water and health. They work with and advise clients on a range of environmental matters ranging from due diligence, permitting authorizations and regulatory compliance, to handling and disposal of hazardous materials, land remediation, environmental and social impact assessments, and employee health and safety. WSP's reputation has been built on helping clients worldwide mitigate risk, manage and reduce impacts, and maximize opportunities related to sustainability, climate change, energy use and the environment.

- **Resources:** The Corporation has the scale and expertise to support all its worldwide resource clients. In mining, WSP's experts work with clients throughout the project life-cycle - from conceptual and feasibility studies to addressing social acceptance issues, and from detailed engineering and complete engineering, procurement, and construction management ("EPCM") to site closure and rehabilitation. WSP expertise includes resource and reserve modelling, metallurgical testing, geotechnical and mine design and detailed engineering for mining infrastructure. In oil and gas, WSP helps clients with some of their most demanding technical and logistical challenges. The Corporation's experts advise on how to plan, design and support the development of pipelines and gas networks, as well as how to ensure the integrity of critical assets and obtain permits and consent.

- **Power & Energy:** The Corporation offers energy sector clients complete solutions for all aspects of their projects, whether they are large-scale power plants, smaller on-site facilities or retrofitting and efficiency programs, with an aim to reduce energy demand and deliver schemes to create a sustainable future. WSP's experts can advise and collaborate on every stage of a project, from pre-feasibility to design, operation, maintenance and decommissioning. They offer long-term operational management support services from the first feasibility studies, providing advice on aspects ranging from technical, financial and environmental issues, to engineering design and energy simulations.

- **Industry:** The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology, automotive and chemicals. WSP's experts offer a variety of skills with a deep understanding of industrial and energy processes, and the engineering expertise required to plan, design, build and operate a new plant, or to automate equipment in an existing industrial facility. A full range of consulting and engineering services is offered within multiple disciplines that span all stages of a project - from strategic studies, concept design and productivity analysis, to serving as an owner’s engineer at each stage of an EPCM contract.

In addition to these sectors, the Corporation offers the highly specialized strategic advisory services below:

- **Planning and Advisory Services**: The Corporation helps clients make informed decisions during various stages of the project life-cycle, taking into consideration changing economic, environmental and social factors, evolving government priorities and emerging technologies. To stay competitive and effectively manage and develop their infrastructure and property assets, public and private sector organizations are looking to gain access to more refined data and “lessons learned” from experts who help drive client success around the globe. The Corporation not only provides local expertise, but also offers international benchmarks and best practice solutions based on its extensive experience. WSP's team blends the technical skills of its global network with results-oriented business acumen, to provide effective and sustainable strategies that also contribute to the advancement of the communities where WSP is present.

- **Management Services:** The Corporation’s professionals help clients assess and define their goals, as well as the technical, environmental and commercial realities and challenges they face. Coupled with the Corporation’s integrated service offerings, this helps the Corporation build strategic relationships with clients. WSP supports them throughout the planning, implementation and commissioning stages of their projects, including during times of emergency. With a focus on cost, schedule, quality and safety, and using best-in-class management processes and techniques, WSP can mobilize the right team from anywhere in the organization across the world to execute projects of varying sizes and complexity.

- **Technology and Sustainability Services:** The Corporation’s professionals work throughout the life-cycle of a project to offer innovative solutions with a strong focus on change management and executive engagement. As significant technological advancement offers the opportunity to improve the way we live, commute, and travel, it also sheds a new light on how property and infrastructure owners need to adapt and embrace the changes. The Corporation's Technology Services experts integrate the use of digital solutions and software to enhance engineering, infrastructure, buildings and environmental projects. In addition, as the world faces significant challenges related to population growth, resource demands and constraints, and extreme weather events that impact the resiliency and sustainability of communities, the Corporation remains committed to integrating the principles of sustainability into WSP's work in planning, designing and managing both property and infrastructure.

4 COVID-19 PANDEMIC AND VOLATILITY

In December 2019, a novel strain of coronavirus, COVID-19, was reported in China and has now spread globally. In March 2020, the World Health Organization officially declared COVID-19 a pandemic. Containment efforts implemented by governments around the world have intensified, causing broad disruptions in the global economy.

As the situation continues to evolve, WSP's primary objective is to ensure the health and safety of its employees and their families, of its clients and of the communities in which it operates.

Current situation

In response to the pandemic, the Corporation has implemented business continuity plans with most of its people currently working remotely. Leveraging technology investments, our people are collaborating to deliver projects and pursue new assignments. In most of WSP's major hubs, many of the services or projects are considered as essential services and the Corporation has, to date, maintained good productivity levels and our clients have thus far generally remained committed to their projects, particularly in the public sector. In Hong Kong and mainland China, the Corporation has, since early March, seen an improvement in its operations. Lastly, the first quarter of 2020 has seen a high level of volatility and uncertainty in the oil and gas sector.

Results

For the quarter ended March 28, 2020, the Corporation has generated good operational results in line with Management's expectations. However, net earnings were mainly impacted by non-cash items resulting from extreme market volatility.

The Corporation generated positive net revenues* organic growth of 1.1% despite being impacted by one less billable day in Q1 2020 compared to Q1 2019, the ongoing impact of the depressed oil and gas industry affecting our operations in Western Canada, a slower start of the year in Sweden and the impact of the COVID-19 pandemic during the first quarter in Asia. Backlog* remained strong at $8.5 billion, representing a record high of 11.1 months of revenues, growing organically by 3.7% compared to December 31, 2019 and 5.3% compared to March 30, 2019 with significant opportunities continuing to emerge.

Adjusted EBITDA* is in line with Management's expectations despite one less billable day in Q1 2020 compared to Q1 2019 and severances recorded in the quarter from the continuous optimization of our operations.

Net earnings have been significantly impacted by the extreme volatility observed in the main market indexes and in foreign exchange rates mainly resulting from the COVID-19 pandemic. The reduction in net earnings was largely caused by two non-cash items not reflective of the underlying performance of the Corporation, both of which are recorded in net financing expenses. The first such item relates to the reduction in value of investments in securities resulting from the extreme volatility observed in the capital markets during the quarter. These investments are held in conjunction with a deferred compensation plan available to certain of our US employees, under which a portion of employees' compensation is deferred and invested in securities which are held in a trust and included in other financial assets in the Corporation's statement of financial position. The second item relates to the reduction in value of foreign exchange forward contracts existing at the end of the quarter which will be used to hedge future transactions. This non-cash reduction in value was caused by sudden changes in currency values, mostly the US dollar against the Canadian dollar.

Measures implemented

The Corporation has proactively implemented measures to adjust its cost structures and has postponed non-essential capital expenditures. WSP is closely following developments in each of the regions in which it operates and will consider additional initiatives if warranted.

Liquidity

As at March 28, 2020, the Corporation had $1.2 billion of available short-term capital resources, as described in section 10.7, "Capital Resources". The Corporation had a net debt to adjusted EBITDA ratio* of 1.3x as at March 28, 2020 and the Corporation's liquidity has not been significantly impacted by the COVID-19 pandemic.

2020 financial outlook

Given the unprecedented uncertainty of the COVID-19 pandemic, in a press release dated April 15, 2020, the Corporation withdrew the 2020 financial outlook previously provided on February 26, 2020.

* Non-IFRS measure. Refer to section 20, "Glossary of non-IFRS measures and segment reporting measures" for more detail and for reference to the reconciliation to the most directly comparable IFRS measure, where applicable.

5 FINANCIAL HIGHLIGHTS

(in millions of dollars, except percentages, per share data, DSO and ratios)

First quarters ended	**March 28, 2020**	**March 30, 2019**	**Variance**
Revenues	$2,210.0	$2,173.6	1.7%
Net revenues*	$1,736.1	$1,663.4	4.4%
Earnings before net financing expense and income taxes	$88.0	$95.9	(8.2%)
Adjusted EBITDA*	$218.4	$216.9	0.7%
Adjusted EBITDA margin*	12.6%	13.0%	-40 bps
Net earnings attributable to shareholders of WSP Global Inc.	$14.2	$63.6	(77.7%)
Basic net earnings per share	$0.13	$0.61	(78.7%)
Adjusted net earnings* **	$47.5	$56.4	(15.8%)
Adjusted net earnings per share* **	$0.45	$0.54	(16.7%)
Cash inflows from operating activities	$3.2	$27.7	(88.4%)
Free cash flow*	($90.3)	($58.2)	55.2%
As at	**March 28, 2020**	**March 30, 2019**	**Variance**
Backlog*	$8,481.0	$7,873.1	7.7%
DSO*	77	78	(1 day)
As at	**March 28, 2020**	**December 31, 2019**	**Variance**
Net debt to adjusted EBITDA ratio*	1.3	1.1	n/a

* Non-IFRS measure. Refer to section 20, "Glossary of non-IFRS measures and segment reporting measures" for more detail and for reference to the reconciliation to the most directly comparable IFRS measure, where applicable.

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

bps: basis points

n/a: not applicable

6 EXECUTIVE SUMMARY

Operational performance in line with Management's expectations during the first quarter of 2020. Net earnings were mainly impacted by non-cash items resulting from extreme market volatility.

First quarter 2020 financial highlights

- Revenues and net revenues for the quarter reached $2.2 billion and $1.7 billion, up 1.7% and 4.4%, respectively, compared to Q1 2019. Organic growth in net revenues achieved 1.1% for the quarter. Excluding the impact of one less billable day in Q1 2020 compared to Q1 2019, our performance in Western Canada affected by the impact of the depressed oil and gas industry and the performance of our Asian operations affected by the COVID-19 pandemic, organic growth in net revenues is in line with Management’s expectations.

- Strong backlog as at March 28, 2020 stood at $8.5 billion, representing a record high of 11.1 months of revenues, up $349.2 million or 4.3% from $8.1 billion as at December 31, 2019 and up $607.9 million or 7.7% when compared to March 30, 2019. Backlog organic growth reached 3.7% compared to December 31, 2019 and 5.3% compared to March 30, 2019.

- Adjusted EBITDA in the quarter of $218.4 million, up $1.5 million or 0.7%, compared to $216.9 million in Q1 2019. Adjusted EBITDA margin for the quarter reached 12.6%, compared to 13.0% in Q1 2019. Adjusted EBITDA is in line with Management's expectations despite one less billable day in Q1 2020 compared to Q1 2019 and severances recorded in the quarter resulting from the continuous optimization of our operations.

- Earnings before net financing expense and income taxes in the quarter of $88.0 million, down $7.9 million, or 8.2%, compared to Q1 2019, mainly due to higher amortization and depreciation related to recent acquisitions.

- Net earnings attributable to shareholders for the quarter of $14.2 million, or $0.13 per share, down from $63.6 million, or $0.61 per share, in Q1 2019. The decrease is mainly attributable to extreme market volatility resulting in a non-cash reduction in value of investments related to a US-employees' deferred compensation plan and the reduction in value of foreign exchange forward contracts existing at the end of the quarter which will be used to hedge future transactions, as well as higher amortization and depreciation related to recent acquisitions.

- Adjusted net earnings for the quarter of $47.5 million, or $0.45 per share, down $8.9 million and $0.09, respectively, compared to Q1 2019. The decrease is mainly due to higher amortization and depreciation related to recent acquisitions.

- DSO as at March 28, 2020 stood at 77 days, compared to 78 days as at March 30, 2019.

- Cash inflows from operating activities of $3.2 million in the three-month period ended March 28, 2020, compared to $27.7 million in the comparable period in 2019.

- Free cash outflow of $90.3 million for the quarter. Trailing twelve-months of free cash flow amounted to $409.5 million, representing 173% of net earnings attributable to shareholders.

- Incorporating a full twelve-month adjusted EBITDA for all acquisitions, net debt to adjusted EBITDA ratio stood at 1.3x, within Management's target range, and slightly higher than 1.1x as at December 31, 2019 due mainly to non-cash foreign exchange impacts resulting from market volatility in March 2020.

- Quarterly dividend declared of $0.375 per share, with a 34.1% Dividend Reinvestment Plan (“DRIP”) participation.

7 KEY EVENTS

In addition to the COVID-19 pandemic discussed more in section 4, “COVID-19 pandemic and volatility”, the following are highlights from January 1, 2020 to May 6, 2020, the date of the MD&A for the quarter ended March 28, 2020.

Sustainability-linked credit facility

In early 2020, the Corporation became the first professional services firm in the Americas to secure sustainability-linked terms for its syndicated credit facility.

Acquisition

In January 2020, WSP acquired LT Environmental Inc., a 140-employee environmental consulting firm based in Colorado, US. This acquisition was financed using WSP's available cash and credit facilities.

Appointments

In January 2020, Marie-Claude Dumas joined WSP's Global Leadership Team as Global Director, Major Projects & Programs/ Executive Market Leader - Quebec.

Effective February 27, 2020, Alain Michaud assumed the position of Chief Financial Officer of the Corporation. Mr. Michaud was previously the Senior Vice President, Operational Performance and Strategic Initiatives.

8 SEGMENT OPERATIONAL REVIEW

Segment performance is measured using net revenues and adjusted EBITDA by segment. Both net revenues and adjusted EBITDA margin were impacted by one less billable day in the first quarter of 2020 than the comparable period in 2019.

Canada

In the quarter ended March 28, 2020, the Canada reportable segment posted a slight decrease in net revenues of 0.6%, as compared to the same period in 2019. This slight contraction in net revenues is attributable to a lower performance in Western Canada partially offset by mid-single digit organic growth for the remainder of the Canadian operations.

For the three-month period ended March 28, 2020, adjusted EBITDA margin by segment decreased somewhat, mainly due to lower performance in Western Canada as well as severance costs amounting to $4.4M related to continuous operational optimization, partially offset by a gain on sale of a property within an investment in associate.

Backlog remained stable compared to December 31, 2019, and grew 8.0% organically since March 30, 2019.

Americas

In the quarter ended March 28, 2020, the Americas reportable segment posted organic growth in net revenues of 1.5%, relative to the comparable period in 2019, impacted by lower utilization in the Energy sector, slightly lower recruitment effort than anticipated and timing of revenue recognition on certain projects. Acquisition growth of 6.9% resulting from the acquisitions of Ecology and Environment Inc. ("E & E"), LT Environmental Inc. and Leach Wallace Associates, Inc.

For the three-month period ended March 28, 2020, adjusted EBITDA margin by segment decreased compared to the same period in 2019, mainly due to realized losses on foreign exchange hedges, lower utilization in the Energy sector and integration of E & E operations which have a higher structural cost base than WSP's legacy US operations.

Backlog for the Americas segment grew organically 0.8% when compared to December 31, 2019, and 2.6% since March 30, 2019.

EMEIA

The EMEIA reportable segment organic growth in net revenues was 0.6% for the three-month period. The UK achieved organic growth of 3.4%, in line with Management's expectation, despite continued political uncertainty surrounding Brexit. Net revenues in our Nordic operations remained flat due to a slower start of the year in Sweden.

For the three-month period ended March 28, 2020, adjusted EBITDA margin by segment decreased, mainly due to severances in the UK of $2.4 million, as well as lower margins in the Nordics due to a slower start of the year in Sweden.

Backlog for the EMEIA segment grew organically 13.5% when compared to December 31, 2019 due mainly to several large contracts signed in the Middle East. Backlog grew organically 4.3% when compared to March 30, 2019.

APAC

The APAC reportable segment posted organic growth in net revenues of 3.3% for the three-month period. Organic growth was led by solid results in Australia, partially offset by contraction in Asia of 3.6% as a result of the COVID-19 pandemic.

The increase in adjusted EBITDA margin by segment, relative to the comparable period in 2019, is due to strong performance in Australia and New Zealand, partially offset by the COVID-19 impact in Asia.

Backlog for the APAC segment remained stable when compared to December 31, 2019, and grew 13.2% organically since March 30, 2019.

9 FINANCIAL REVIEW

9.1 RESULTS OF OPERATIONS

	Three months ended	
(in millions of dollars, except number of shares and per share data)	**March 28, 2020**	**March 30, 2019**
Revenues	**$2,210.0**	**$2,173.6**
Less: Subconsultants and direct costs	$473.9	$510.2
Net revenues*	**$1,736.1**	**$1,663.4**
Earnings before net financing expense and income taxes	**$88.0**	**$95.9**
Net financing expense	$68.3	$10.7
Earnings before income taxes	**$19.7**	**$85.2**
Income tax expense	$5.4	$23.2
Net earnings	**$14.3**	**$62.0**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	$14.2	$63.6
Non-controlling interests	$0.1	$(1.6)
Basic net earnings per share	**$0.13**	**$0.61**
Diluted net earnings per share	**$0.13**	**$0.61**
Basic weighted average number of shares	106,086,809	104,768,837
Diluted weighted average number of shares	106,291,753	105,031,582

* Non-IFRS measure. Refer to section 20, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

9.2 NET REVENUES BY SEGMENT

The Corporation's financial performance and results should be measured and analyzed in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the performance of the professional consulting services business.

The Corporation's reportable segments are: Canada, Americas (US and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Australia, New Zealand and Asia). The following tables provide a summary of the changes in net revenues and number of employees, both by reportable segment and in total, in relation to the comparable period in the previous year.

	First quarter of 2020 vs 2019				
(in millions of dollars, except percentages and number of employees)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment - 2020	$243.0	$584.1	$641.0	$268.0	$1,736.1
Net revenues by segment - 2019	$244.5	$539.0	$612.9	$267.0	$1,663.4
Net change %	(0.6)%	8.4%	4.6 %	0.4 %	4.4 %
Organic growth*	(0.6)%	1.5%	0.6 %	3.3 %	1.1 %
Acquisition growth*	— %	6.9%	6.4 %	1.9 %	4.8 %
Foreign currency exchange impact**	— %	0.0%	(2.4)%	(4.8)%	(1.5)%
Net change %	(0.6)%	8.4%	4.6 %	0.4 %	4.4 %
	As at				
Approximate number of employees - March 28, 2020	8,000	13,300	19,700	8,800	49,800
Approximate number of employees - March 30, 2019	8,000	12,600	18,800	8,500	47,900
Net change %	— %	5.6%	4.8 %	3.5 %	4.0 %

* Organic growth and acquisition growth are calculated based on local currencies.

** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth.

During the first quarter of 2020, the Corporation achieved net revenues of $1.7 billion, an increase of $72.7 million, or 4.4% compared to Q1 2019. In addition to other impacts described below by segment, the net revenues were impacted by one less billable day in the first quarter of 2020 than the comparable period in 2019. Regarding the COVID-19 pandemic, in most of WSP's major hubs, many of the services or projects are considered as essential services and the Corporation has, to date, maintained good productivity levels and our clients have thus far generally remained committed to their projects, particularly in the public sector.

9.2.1 CANADA

In the first quarter of 2020, net revenues from the Canada reportable segment were $243.0 million, a slight decrease of 0.6% compared to the same period in 2019. This slight contraction in net revenues is mainly due to lower performance in Western Canada.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 66% of net revenues for the quarter ended March 28, 2020. Public sector clients accounted for 34% of net revenues.

9.2.2 AMERICAS

In the first quarter of 2020, net revenues from the Americas reportable segment were $584.1 million, an increase of $45.1 million, or 8.4%, compared to the same period in 2019. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 6.9% and 1.5%, respectively. Acquisition growth arose mainly in the US from the acquisitions of E & E in December 2019, LT Environmental Inc. in January 2020 and Leach Wallace Associates, Inc. in April 2019. Organic growth was impacted by lower utilization in the Energy sector, slightly lower recruitment effort than anticipated and timing of revenue recognition on certain projects.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 77% of net revenues for the quarter ended March 28, 2020. Public sector clients accounted for 65% of net revenues.

9.2.3 EMEIA

In the first quarter of 2020, net revenues from the EMEIA reportable segment were $641.0 million, an increase of $28.1 million, or 4.6%, compared to Q1 2019. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 6.4% and 0.6%. Acquisition growth stems mainly from the acquisitions of Orbicon A/S in Denmark and Lievense Holding B.V. in the Netherlands during the third and fourth quarters of 2019.

The UK achieved organic growth of 3.4%, in line with Management's expectation, despite continued political uncertainty surrounding Brexit. Net revenues in our Nordic operations remained flat due to slower start of the year in Sweden. The overall increase was partially offset by negative impacts of foreign exchange, mainly due to the appreciation of the Canadian dollar against the Swedish krona and pound sterling.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 82% of net revenues for the quarter ended March 28, 2020. Public sector clients accounted for 58% of net revenues.

9.2.4 APAC

In the first quarter of 2020, net revenues from the APAC reportable segment were $268.0 million, a slight increase of 0.4% when compared to the same period in 2019. Acquisition growth and organic growth in net revenues, both on a constant currency basis, stood at 1.9% and 3.3%, respectively.

Organic growth was led by solid results in Australia, partially offset by contraction in Asia of 3.6% as a result of the COVID-19 pandemic. Acquisition growth, also in Australia, is due to the acquisition of Elton Consulting Group Pty Ltd in November 2019. These increases were partially offset by negative impacts of foreign exchange due to the appreciation of the Canadian dollar against the Australian and New Zealand dollars.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 83% of net revenues for the year ended March 28, 2020. Public sector clients accounted for 53% of net revenues.

9.3 BACKLOG

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog, as at December 31, 2019	$1,030.4	$3,873.0	$1,936.6	$1,291.8	$8,131.8
Revenues	$(276.5)	$(857.0)	$(769.0)	$(307.5)	$(2,210.0)
Organic order intake	$277.3	$887.6	$1,022.9	$314.0	$2,501.8
Order intake through business acquisition	$—	$36.2	$—	$—	$36.2
Foreign exchange movement	$—	$30.5	$8.8	$(18.1)	$21.2
Backlog*, as at March 28, 2020	$1,031.2	$3,970.3	$2,199.3	$1,280.2	$8,481.0
Organic backlog growth in three-month period	0.1%	0.8%	13.5%	0.5%	3.7%
Backlog*, as at March 30, 2019	$955.2	$3,675.2	$2,081.7	$1,161.0	$7,873.1
Organic backlog growth in twelve-month period	8.0%	2.6%	4.3%	13.2%	5.3%

As at March 28, 2020, backlog stood at $8.5 billion, representing 11.1 months of revenues,[(1)] an increase of $349.2 million or 4.3% from December 31, 2019. The increase during the three-month period is mainly due to organic order intake higher than revenues in the Middle East, as well as organic and acquisition-related growth in the US. On a constant currency basis, the backlog organic growth was 3.7% compared to backlog as at December 31, 2019 and 5.3% compared to March 30, 2019.

* Non-IFRS measure. Refer to section 20, “Glossary of non-IFRS measures and segment reporting measures” for more detail.
[(1)] Based on revenues for the trailing twelve-month period, incorporating a full twelve months of revenues for all acquisitions.

9.4 EXPENSES

The following table summarizes selected operating results expressed as a percentage of net revenues.

	Three months ended	
(percentage of net revenues)	March 28, 2020	March 30, 2019
Net revenues*	100.0 %	100.0 %
Personnel costs	77.9 %	77.6 %
Other operational costs, exchange loss (gain) and interest income	10.1 %	9.6 %
Share of earnings of associates and joint ventures before depreciation and income taxes*	(0.6)%	(0.2)%
Adjusted EBITDA margin*	**12.6 %**	**13.0 %**
Depreciation of right-of-use assets	3.6 %	3.6 %
Depreciation of property and equipment	1.5 %	1.4 %
Amortization of intangible assets	1.6 %	1.5 %
Impairment of property and equipment and goodwill	— %	— %
Acquisition, integration and restructuring costs	0.6 %	0.5 %
Share of depreciation and taxes of associates	0.1 %	0.1 %
Deduct: Interest income	— %	0.1 %
Earnings before net financing expense and income taxes	**5.1 %**	**5.8 %**
Net financing expense	3.9 %	0.7 %
Income tax expense	0.3 %	1.4 %
Net earnings	**0.9 %**	**3.7 %**

* Non-IFRS measure. Refer to section 20, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

In the first quarter of 2020, earnings before net financing expense and income taxes decreased as a percentage of net revenues, mainly due to lower adjusted EBITDA margins, as well as higher depreciation and amortization. These variances are explained in further detail below.

In the first quarter of 2020, adjusted EBITDA margin stood at 12.6%, compared to 13.0% for the first quarter of 2019. The decrease is largely due to severance costs in Canada and the UK, COVID-19 impacts in Asia, losses on realized foreign exchange hedges in the US, a slower start of the year in Sweden and one less billable day, partially offset by strong performance in Australia and New Zealand.

PERSONNEL AND OTHER OPERATIONAL COSTS

The main expenses deducted from net revenues fall into two major components: personnel costs and other operational costs:

- Personnel costs include payroll costs for all employees related to the delivery of consulting services and projects, as well as administrative and corporate staff.
- Other operational costs include fixed costs such as, but not limited to, non-recoverable client service costs, technology costs, professional insurance costs, office space related costs (mainly utilities and maintenance costs). In the table above, other operational costs are combined with operational exchange gains or losses on foreign currencies and interest income.

Personnel costs for the quarter increased as a percentage of net revenues, as compared to the same period in 2019, mainly due to higher severance costs, principally in Canada and the UK, which increased by $6.3 million, or 0.4% of net revenue. Excluding severance costs, personnel costs decreased slightly as a percentage of net revenues.

Other operational costs for the quarter, as a percentage of net revenues, were in line with the comparable period in 2019. Operational foreign exchange losses of $3.9 million had a negative impact in the first quarter of 2020, as compared to a small gain in the same period in 2019.

SHARE OF EARNINGS OF ASSOCIATES

The share of earnings of associates increased for the three-month period ended March 28, 2020, mainly due to a gain on sale of a property by an associate.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased slightly in the first quarter of 2020, when compared to the same period in 2019, mainly due to recent acquisitions.

ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS

Acquisition, integration and restructuring costs include, if and when incurred, transaction and integration costs related to business acquisitions, any gains or losses on disposals of non-core assets, IT outsourcing program costs pertaining mainly to non-recurring redundancy and transition costs resulting from the outsourcing of the Corporation’s IT infrastructure and operations support, and restructuring costs.

Acquisition, integration and restructuring costs are components of financial performance which the Corporation believes should be excluded in understanding its underlying operational financial performance, and are therefore presented separately in its consolidated statement of earnings.

The Corporation incurred acquisition, integration and restructuring costs of $10.8 million in the first quarter of 2020, mainly related to the business integration and restructuring of Louis Berger, acquired in December 2018, integration costs of acquisitions completed in 2019 and 2020 and acquisition costs related to various transactions.

9.5 ADJUSTED EBITDA BY SEGMENT

	Three months ended March 28, 2020				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$243.0	$584.1	$641.0	$268.0	$1,736.1
Adjusted EBITDA by segment	$37.3	$78.0	$84.8	$40.3	$240.4
Adjusted EBITDA margin by segment	15.3%	13.4%	13.2%	15.0%	13.8%
Head office corporate costs					$22.0
Adjusted EBITDA*					$218.4

	Three months ended March 30, 2019				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$244.5	$539.0	$612.9	$267.0	$1,663.4
Adjusted EBITDA by segment	$38.0	$78.6	$83.2	$38.1	$237.9
Adjusted EBITDA margin by segment	15.5%	14.6%	13.6%	14.3%	14.3%
Head office corporate costs					$21.0
Adjusted EBITDA*					$216.9

* Non-IFRS measure. Refer to section 20, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $240.4 million and 13.8%, respectively, for the first quarter ended March 28, 2020, compared to $237.9 million and 14.3%, respectively, for the comparable period in 2019.

The variances in adjusted EBITDA margin by segment were impacted by one less billable day in the first quarter of 2020 than the comparable period in 2019. The other variance explanations by segment are as follows:

- Canada decreased somewhat mainly due to lower performance in Western Canada as well as severance costs amounting to $4.4M related to continuous operational optimization, partially offset by a gain on sale of a property within an investment in associate.
- In Americas, margins decreased in the US operations mainly due to realized losses on foreign exchange hedges, lower utilization in the Energy sector and integration of E & E operations which have a higher structural cost base than WSP's legacy US operations.
- In EMEIA, margin decreased, mainly due to severances in the UK of $2.4 million, as well as lower margins in the Nordics due to a slower start of the year in Sweden.
- In APAC, margin increased due to strong performance in Australia and New Zealand, partially offset by the COVID-19 impact in Asia.

Head office corporate costs for the first quarter ended March 28, 2020 stood at $22.0 million, slightly higher than the comparable period in 2019.

9.6 RECONCILIATION OF ADJUSTED EBITDA

Management analyzes the Corporation's financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. The following table reconcile this metric to the most comparable IFRS measure:

	Three months ended	
(in millions of dollars)	**March 28, 2020**	**March 30, 2019**
Earnings before net financing expense and income taxes	**$88.0**	**$95.9**
Acquisition, integration and restructuring costs	$10.8	$9.0
Depreciation of right-of-use assets	$62.6	$59.1
Amortization of intangible assets	$28.0	$24.4
Depreciation of property and equipment	$26.0	$24.0
Share of depreciation and taxes of associates	$2.2	$1.5
Interest income	$0.8	$3.0
Adjusted EBITDA*	**$218.4**	**$216.9**

* Non-IFRS measure. Refer to section 20, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

9.7 FINANCING EXPENSES

The Corporation's net financing expense in the first quarter of 2020 relates mainly to unrealized losses on derivative financial instruments, losses on investments in securities related to deferred compensation obligations, interest expense incurred on credit facilities and interest expense on lease liabilities. The Corporation uses its credit facilities to manage its working capital, capital expenditures and to finance business acquisitions.

Net financing expense for the first quarter ended March 28, 2020 was significantly higher than first quarter of 2019, mainly attributable to recent market volatility resulting in non-cash reduction in value of investments related to a US-employees' deferred compensation plan, included in other financial assets, and unrealized foreign exchange losses from derivative financial instruments, which compared to gains related to these two types of financial instruments in the first quarter of 2019. These two items accounted for $27.2 million and $24.2 million of the increase, respectively.

9.8 INCOME TAXES

In the first quarter of 2020, an income tax expense of $5.4 million was recorded on earnings before income taxes of $19.7 million, representing an effective income tax rate of 27.4%. In addition, for the same period, the Corporation's share of income tax expense attributable to associates was $1.8 million.

9.9 NET EARNINGS

In the first quarter of 2020, the Corporation's net earnings attributable to shareholders were $14.2 million, or $0.13 per share on a diluted basis, compared to $63.6 million, or $0.61 per share on a diluted basis for the comparable period in 2019. The decrease is mainly attributable to recent market volatility resulting in non-cash losses from a reduction in value of investments related to a US employees' deferred compensation plan, included in other financial assets, and unrealized foreign exchange losses from derivative financial instruments, as well as higher amortization and depreciation related to recent acquisitions.

9.10 ADJUSTED NET EARNINGS

Management has amended its definition of adjusted net earnings, effective January 1, 2020. The comparative period results have been restated to apply the current definition.

Management believes that in the context of highly acquisitive companies or consolidating industries such as engineering and construction, and to isolate certain non-cash items related to market volatility, adjusted net earnings and adjusted net earnings per share should be taken into consideration in assessing the Corporation's performance against its peer group.

The following table reconcile this metric to the most comparable IFRS measure:

	Three months ended	
(in millions of dollars, except per share data)	**March 28, 2020**	**March 30, 2019**
Net earnings attributable to shareholders	**$14.2**	**$63.6**
Acquisition, integration and restructuring costs	$10.8	$9.0
Losses (gains) on investments in securities related to deferred compensation obligations	$16.6	$(10.7)
Unrealized gains or losses on derivative financial instruments	$16.0	$(8.2)
Income taxes related to above items	$(10.1)	$2.7
Adjusted net earnings*	**$47.5**	**$56.4**
Adjusted net earnings per share*	**$0.45**	**$0.54**

* Non-IFRS measure. Refer to section *20*, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

Adjusted net earnings stood at $47.5 million, or $0.45 per share, in the first quarter of 2020, compared to $56.4 million, or $0.54 per share, in Q1 2019. The decrease is mainly due to higher amortization and depreciation related to recent acquisitions and one less billable day in Q1 2020 compared by Q1 2019.

10 LIQUIDITY

	Three months ended	
(in millions of dollars)	**March 28, 2020**	**March 30, 2019**
Cash inflows from operating activities	$3.2	$27.7
Cash inflows (outflows) from financing activities	$686.2	$(32.7)
Cash outflows from investing activities	$(64.1)	$(25.2)
Effect of exchange rate change on cash	$27.9	$(6.4)
Change in net cash	**$653.2**	**$(36.6)**
Dividends paid to shareholders of WSP Global Inc.	$(22.9)	$(19.6)
Net capital expenditures	$(23.1)	$(20.5)

10.1 OPERATING ACTIVITIES AND FREE CASH FLOW

	Three months ended	
(in millions of dollars)	March 28, 2020	March 30, 2019
Cash inflows from operating activities	**$3.2**	**$27.7**
Lease payments in financing activities	$(70.4)	($65.4)
Net capital expenditures**	$(23.1)	$(20.5)
Free cash flow*	**($90.3)**	**($58.2)**

* Non-IFRS measure. Refer to section *20*, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

** Capital expenditures pertaining to property and equipment and intangible assets, net of proceeds from disposal and lease incentives received.

Cash flows from operating activities

The decrease for the quarter is mainly due to higher income tax paid and a larger change in non-cash working capital items. The use of cash related to non-cash working capital items is in line with the seasonality of the business, and is related to the increase in DSO to 77 days as at March 28, 2020 compared to 74 days as at December 31, 2019.

Free cash flow

Free cash flow is an indication of the Corporation's continuing capacity to generate discretionary cash from operations. It represents cash flows for the period available to the suppliers of capital, which are the Corporation's creditors and shareholders. The free cash flow metric should be reviewed year-over-year as opposed to quarter-to-quarter as the timing of investments in capital expenditure initiatives and management of working capital can have an impact in the shorter term.

The free cash outflow for the three-month period ended March 28, 2020 was $90.3 million, compared to $58.2 million in the same period in 2019. For the trailing twelve-months ended March 28, 2020, free cash flow amounted to $409.5 million, representing 173% of net earnings attributable to shareholders. Higher free cash outflow in 2020 was mainly driven by higher income tax paid and a larger change in non-cash working capital items.

10.2 FINANCING ACTIVITIES

In the first quarter of 2020, cash inflows from financing activities are due to net proceeds on long-term debt of $803.1 million, partially offset by payments of interest and principal on lease liabilities of $70.4 million, net payments of financing expenses of $23.5 million and dividends of $22.9 million paid to shareholders of WSP Global Inc. In the context of the COVID-19 pandemic, during the first quarter of 2020, the Corporation drew additional funds on its credit facility as a precautionary measure to increase liquidity and preserve financial flexibility, which is the main driver of the variance in cash flows from financing activities relative to the comparable quarter in 2019.

10.3 INVESTING ACTIVITIES

In the first quarter of 2020, cash outflows used for investing activities of $44.8 million related to business acquisitions and $23.1 million related to net capital expenditures.

10.4 NET DEBT

(in millions of dollars)	As at March 28, 2020	As at December 31, 2019
Long-term debt[1]	$2,274.9	$1,399.7
Less: Cash and cash equivalents	$(902.6)	$(255.6)
Net debt*	$1,372.3	$1,144.1

	Trailing twelve months ended March 28, 2020	Trailing twelve months ended December 31, 2019
Adjusted EBITDA*	$1,038.3	$1,036.8
Net debt to adjusted EBITDA ratio*	1.3	1.1

* Non-IFRS measure. Refer to section 20, "Glossary of non-IFRS measures and segment reporting measures" for more detail.
(1) Including current portion.

As at March 28, 2020, the Corporation's statement of financial position remained strong and showed a good mix of debt and equity. The Corporation had a net debt position of $1.4 billion and a net debt to adjusted EBITDA ratio of 1.3x as at March 28, 2020. Incorporating a full year adjusted EBITDA for all acquisitions on a pro forma basis, the ratio would remain 1.3x, within Management's target range, and slightly higher than 1.1x as at December 31, 2019 due mainly to non-cash foreign exchange impacts resulting from market volatility in March 2020.

In the context of the COVID-19 pandemic, during the first quarter of 2020, the Corporation drew additional funds on its credit facility as a precautionary measure to increase liquidity and preserve financial flexibility.

10.5 DIVIDENDS

On February 26, 2020, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of March 31, 2020, which was paid on April 15, 2020. The total amount of the dividends for the first quarter of 2020 is $39.8 million, paid subsequent to the end of the quarter.

Following the payment of dividends declared on November 6, 2019, $16.8 million was reinvested in 185,604 common shares under the DRIP during the first quarter of 2020.

Subsequent to the end of the quarter, holders of 36,209,343 common shares, representing 34.1% of all outstanding shares as at March 31, 2020, elected to participate in the DRIP. As a result, on April 15, 2020, $13.6 million of the first quarter dividend was reinvested in common shares of the Corporation. The net cash outflow on April 15, 2020 for the first quarter dividend payment was $26.2 million.

The board of directors of the Corporation (the "Board") has determined that the current level of quarterly dividend is appropriate based on the Corporation's current earnings and operational financial requirements. The dividend is currently expected to remain at this level subject to the Board's ongoing assessment of the Corporation's future cash requirements, financial performance, liquidity, and other factors that the Board may deem relevant, which the Board will continue to assess in the context of the COVID-19 pandemic. The actual amount of any dividend, as well as each declaration date, record date and payment date, is subject to the discretion of the Board. Some information in this section constitutes forward-looking information. Please refer to section 17, "Forward-Looking Statements", of this MD&A.

10.6 STOCK OPTIONS

As at May 5, 2020, 726,068 stock options were outstanding at exercise prices ranging from $35.12 to $70.71.

10.7 CAPITAL RESOURCES

(in millions of dollars)	As at March 28, 2020	As at December 31, 2019
Cash	$902.6	$255.6
Available syndicated credit facility	$201.4	$910.1
Other operating credit facilities	$91.9	$85.7
Available short-term capital resources	**$1,195.9**	**$1,251.4**

The Corporation believes that its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its growth strategy, its working capital requirements and planned capital expenditures.

10.8 CREDIT FACILITY

The Corporation has in place, as at March 28, 2020, a credit facility with a syndication of financial institutions providing for a maximum amount of US$1,800.0 million. The credit facility is available for general corporate purposes and for financing business acquisitions. Under this credit facility, the Corporation is required, among other conditions, to respect certain covenants calculated on a consolidated basis. The main covenants are in regard to its consolidated net debt to consolidated adjusted EBITDA and the fixed charge coverage ratios. These terms and ratios are defined in the credit facility agreement and do not correspond to the Corporation's metrics described in section 20, "Glossary of non-IFRS measures and segment reporting measures", or to other terms used in this MD&A.

Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facility. All covenants were met as at March 28, 2020.

11 EIGHT QUARTER SUMMARY

(in millions of dollars, except per share data)	Trailing twelve months	2020 Q1 First quarter ended March 28	2019 Q4 Fourth quarter ended December 31	2019 Q3 Third quarter ended September 28	2019 Q2 Second quarter ended June 29	2019 Q1 First quarter ended March 30	2018** Q4 Fourth quarter ended December 31	2018** Q3 Third quarter ended September 29	2018** Q2 Second quarter ended June 30
Results of operations									
Revenues	$8,952.5	$2,210.0	$2,209.3	$2,221.5	$2,311.7	$2,173.6	$2,043.9	$1,927.6	$2,025.9
Net revenues*	$6,959.0	$1,736.1	$1,760.7	$1,693.6	$1,768.6	$1,663.4	$1,541.0	$1,468.8	$1,541.1
Adjusted EBITDA*	$1,038.3	$218.4	$266.3	$288.2	$265.4	$216.9	$169.5	$187.5	$169.5
Net earnings attributable to shareholders	$237.1	$14.2	$40.5	$93.7	$88.7	$63.6	$43.3	$87.7	$67.4
Basic and diluted net earnings per share		$0.13	$0.38	$0.89	$0.84	$0.61	$0.41	$0.84	$0.65
Backlog*		$8,481.0	$8,131.8	$7,905.7	$7,952.7	$7,873.1	$7,678.7	$6,509.1	$6,706.9
Dividends									
Dividends declared	$158.5	$39.8	$39.7	$39.6	$39.4	$39.3	$39.2	$39.1	$38.9
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

* Non-IFRS measure. Refer to section 20, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

** Prior to the adoption of *IFRS 16 - Leases*, effective January 1, 2019 using the modified retrospective method, for which no restatement of prior year financial statement presentation was required.

The Corporation's quarterly earnings and revenue measures are, to a certain degree, affected by seasonality. The third and fourth quarters typically generate the largest contribution to net revenues and adjusted EBITDA, and the first quarter the least. The Corporation's cash flows from operations are also, to a certain degree, subject to seasonal fluctuations, with the fourth quarter historically generating a higher amount of cash flows from operations. It is currently not possible to reliably estimate the impact of the COVID-19 pandemic on the Corporation’s historical seasonality trends described above.

12 GOVERNANCE

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and have caused them to be designed under their supervision to provide reasonable assurance that:

- Material information related to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared; and
- Information required to be disclosed by the Corporation 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 controls over financial reporting (“ICFR”) or have caused ICFR to be designed under their supervision using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Due to the inherent limitations of DC&P and ICFR, Management does not expect that DC&P and ICFR can prevent or detect all errors or intentional misstatements resulting from fraudulent activities.

There were no changes in the Corporation’s ICFR that occurred during the period beginning on January 1, 2020 and ended on March 28, 2020 that have materially affected, or are reasonably likely to materially affect, the Corporation’s ICFR. Nevertheless, the measures taken by the Corporation in response to the COVID-19 pandemic and in compliance with public authority recommendations, including the transitioning of most of its employees to remote working arrangements, may have an impact on the performance of some internal controls. As such, the Corporation will continually monitor and assess the effects of the COVID-19 pandemic on its DC&P and ICFR in order to maintain a strong control environment and to make any appropriate adjustments. During these unprecedented times, Management has reiterated the importance of internal controls and maintained frequent communication across the organization at all levels.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board has oversight responsibilities for reported financial information. Accordingly, the Board of WSP has reviewed and approved, upon recommendation of the Audit Committee of the Corporation, this MD&A and the unaudited interim condensed consolidated financial statements for the quarter ended March 28, 2020, before their publication.

13 SIGNIFICANT ACCOUNTING POLICIES

The Corporation's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board and are based on the same accounting policies as the ones used in the preparation of the Corporation's audited consolidated financial statements for the year ended December 31, 2019, except as described below.

Please refer to the Corporation's 2019 audited consolidated financial statements and the unaudited interim condensed consolidated financial statements for the quarter ended March 28, 2020 for more information about the significant accounting principles, as well as the significant estimates used to prepare the financial statements.

NEW ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICY

CASH AND CASH EQUIVALENTS

The Corporation's definition of cash is expanded to include cash equivalents. Cash and cash equivalents consist of cash on hand and with banks and short-term deposits with a maturity of three months or less at the date of acquisition, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are net of bank overdraft.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Upon adoption of *IFRS 9 - Financial Instruments*, as at January 1, 2018, the Corporation had elected to continue to use the criteria of *IAS 39 - Financial Instruments: Recognition and Measurement* for hedge accounting. Given the Corporation's recent hedging activities, Management has determined that the application of hedge accounting criteria in *IFRS 9* results in reliable and more relevant information about the effects of hedge transactions on the Corporation's financial performance. This change has been applied prospectively as at January 1, 2020, given retrospective application would not have a material impact on the Corporation's financial position as at January 1, 2020.

The summary of the Corporation's accounting policy for derivative financial instruments and hedging activities is as follows:

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Corporation designates certain derivatives as either:

(a) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge);
(b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
(c) hedges of a net investment in a foreign operation (net investment hedge).

The Corporation documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Corporation also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in net earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of the change in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in net earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when a forecasted transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in net earnings. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to net earnings.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in net earnings.

Gains and losses accumulated in equity are transferred to net earnings if a foreign operation is disposed of, partially or in its entirety.

14 FINANCIAL INSTRUMENTS

The Corporation’s financial assets include cash, trade receivables and other receivables. The Corporation's financial liabilities include accounts payable and accrued liabilities, dividends payable to shareholders, lease liabilities, and long-term debt.

The Corporation uses derivative financial instruments to manage its exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading or speculative purposes. Refer to note 8, Financial instruments, of the Corporation's unaudited interim condensed consolidated financial statements for the quarter ended March 28, 2020 for a description of the Corporation's hedging activities.

The Corporation's financial instruments expose the Corporation to primarily to foreign exchange, credit, liquidity and interest rate risks. Refer to section 20, "Risk factors", of the Corporation's MD&A for the year ended December 31, 2019, as well as note 13, Financial instruments, to the Corporation's consolidated financial statements for the year ended December 31, 2019, for a description of these risks and how they are managed, as well as for a description of how fair values are determined.

During the first quarter of 2020, there were no material changes to the risks related to financial instruments and no significant changes in the financial instrument classifications. Furthermore, the methodology used to determine the fair value of financial instruments has not changed during the first quarter of 2020.

15 RELATED PARTY TRANSACTIONS

The Corporation's related parties, as defined by IFRS, are its joint operations, joint ventures, associates and key management personnel. During the first quarter of 2020, there were no material changes the Corporation's related parties.

16 OFF-BALANCE SHEET AGREEMENTS

The Corporation does not engage in the practice of off-balance sheet financing, except for the use of letters of credit.

17 FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, the Corporation may make or provide statements or information in this MD&A that are not based on historical facts and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws. These statements relate to future events or future performance and reflect the expectations of Management regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation or its industry.

This MD&A may contain forward-looking statements. Forward-looking statements can typically be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “forecast”, “project”, “intend”, “target”, “potential”, “continue” or the negative of these terms or terminology of a similar nature. Such forward-looking statements reflect current beliefs of Management and are based on certain factors and assumptions as set forth in this MD&A, which by their nature are subject to inherent risks and uncertainties. While the Corporation considers these factors and assumptions to be reasonable based on information available as of May 6, 2020, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements.

Forward-looking statements made by the Corporation 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; interest rates; working capital requirements; the collection of accounts receivable; the Corporation obtaining new contract awards; the type of contracts entered into by the Corporation; the anticipated margins under new contract awards; the utilization of the Corporation’s workforce; the ability of the Corporation to attract new clients; the ability of the Corporation to retain current clients; changes in contract performance; project delivery; the Corporation’s competitors; the ability of the Corporation to successfully integrate acquired businesses; the acquisition and integration of businesses in the future; the Corporation’s ability to manage growth; external factors affecting the global operations of the Corporation; the state of the Corporation’s backlog; the joint arrangements into which the Corporation has or will enter; capital investments made by the public and private sectors; relationships with suppliers and subcontractors; relationships with management, key professionals and other employees of the Corporation; the maintenance of sufficient insurance; the management of environmental and health and safety risk; the sufficiency of the Corporation’s current and planned information systems, communications technology and other technology; compliance with laws and regulations; future legal proceedings; the sufficiency of internal and disclosure controls; the regulatory environment; impairment of goodwill; foreign currency fluctuation; the tax legislation and regulations to which the Corporation is subject and the state of the Corporation’s benefit plans. Other assumptions, if any, are set out throughout this MD&A. If these assumptions prove to be inaccurate, the Corporation’s actual results could differ materially from those expressed or implied in forward-looking statements.

In evaluating these forward-looking statements, investors should specifically consider various risk factors, which, if realized, could cause the Corporation's actual results to differ materially from those expressed or implied in forward-looking statements. Such risk factors include, but are not limited to, the following risk factors discussed in greater detail in section 20, "Risk factors", of the Corporation's MD&A for the year ended December 31, 2019 and in section 18 of this MD&A for the quarter ended March 28, 2020: “Environmental, Health and Safety Risks and Hazards”; “Non-Compliance with Laws or Regulations”; “Systems, Network Infrastructure and Data Failure, Interruption and Breach”; “Global Operations”; “Competition in the Industry”; “Revenues from Contracts with Government Agencies”; “Growth by Acquisitions”; “Acquisition Integration and Management”; “Availability and Retention of Qualified Professional Staff”; “Controls and Disclosure”; “Risk related to Current or Future Legal Proceedings”; “Risks Associated with Professional Services Contracts”; “Reputational Risk”; “Extreme Weather Conditions and the Impact of Natural or Other Disasters”; “Adequate Utilization of Workforce”; “Work Stoppage and Labour Disputes”; “Challenges Associated with Size”; “Joint Arrangements”; “Reliance on Suppliers and Subcontractors”; “Economic Environment”; “Changes to Regulations”; “Increased Awareness of Environmental Factors”; “Insurance Limits”; “Changes to Backlog”; “Deterioration of Financial Position or Net Cash Position”; “Working Capital Requirements”; “Accounts Receivable”; “Increased Indebtedness and Raising Capital”; “Impairment of Long-Lived Assets”; “Foreign Currency Exposure”; “Income Taxes”; “Underfunded Defined Benefits Obligations”; “Potential Dilution”; “Risks Related to Forward-Looking Statements”; “Impact of the COVID-19 Pandemic” as well as other risks detailed from time to time in reports filed by the Corporation with securities regulators or other documents that the Corporation makes public, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

The Corporation cautions that the foregoing list of risk factors is not exhaustive. There can be no assurance that actual results will be consistent with forward-looking statements. The Corporation does not take any responsibility to update or revise forward-looking information even if new information becomes available, unless legislation requires us to do so. Readers should not place undue reliance on forward-looking statements.

18 RISK FACTORS

The Corporation is subject to a number of risks and uncertainties and is affected by a number of factors which could have a material adverse effect on the Corporation’s business, financial condition, operating results, future prospects or achievement of its 2019-2021 Global Strategic Plan. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of the Corporation's shares or adversely affect the Corporation’s ability to declare dividends on shares. The Corporation’s most material risks and uncertainties are described in section 20, "Risk Factors", of the Corporation's MD&A for the year ended December 31, 2019. The following update should be read in conjunction with these risks and uncertainties, which have not materially changed and are hereby incorporated by reference.

Impact of the COVID-19 Pandemic

The recent pandemic created by the outbreak of a novel strain of coronavirus (COVID-19) resulted in governments worldwide enacting emergency measures to slow the spread of the virus. The containment efforts taken to fight this health crisis, including implementation of travel bans, border closings, quarantine periods and social distancing, as well as considerable general concern and uncertainty, have affected economies and financial markets around the world resulting in a global economic slowdown, and have had and will likely continue to have negative effects on the Corporation’s business, financial performance and financial position. Although most of the Corporation’s projects can be performed and delivered remotely, with many of its services being considered as essential, the temporary shut down of certain construction sites and other restrictive measures taken globally have resulted in some delayed projects and may result in further delayed or cancelled projects as the situation evolves. The mitigation measures implemented in light of the COVID-19 pandemic may also increase the level of other risks the Corporation is already subject to and which are described in section 20, "Risk Factors", of the Corporation's MD&A for the year ended December 31, 2019, all of which may negatively impact the Corporation's business, financial performance and financial position. The continued spread of the COVID-19 has led to disruption and volatility in the global capital markets, which, depending on further developments, could impact the Corporation's capital resources and liquidity in the future, including the availability of financing on attractive terms, if at all. Any business deterioration, contract cancellations or terminations, or market pressures could cause the Corporation's sales, earnings and cash flows to decline below its current projections and may lead to impairment of goodwill and intangibles. Additionally, any measures taken by the Corporation to control or adjust its cost structure and any further mitigation measures it may decide to implement could prove insufficient to completely offset possible declines in revenues and the Corporation may be unsuccessful at realizing the intended benefits of these measures. As the Corporation continues to monitor the issues raised by the COVID-19 pandemic, it may take further actions that alter its business operations as may be required by governmental authorities, or that it determines are in the best interests of its employees, clients, partners and shareholders, and the Corporation cannot predict the potential effects any such alterations or modifications may have on its business, including the impact on its financial results. The imposition of further restrictive measures by governmental authorities to contain the COVID-19 virus, a prolonged period during which any current or future measures are kept in place or the imposition of restrictions or conditions on the Corporation's ability to reopen its offices or access to project sites could have an adverse impact on its business, financial position, results of operations and cash flows, the extent of which is highly uncertain, cannot be predicted and will depend on many factors beyond the Corporation's control and knowledge.

19 ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on our Website at www.wsp.com and on SEDAR at www.sedar.com. The Corporation's Annual Information Form for the year ended December 31, 2019 is available on these websites.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP". As at March 28, 2020, the Corporation had 106,118,446 common shares outstanding. As at May 5, 2020, the Corporation had 106,306,411 common shares outstanding following the share issuance realized under the DRIP after the payment of the first quarter dividend on April 15, 2020.

The Corporation has no other shares outstanding.

20 GLOSSARY OF NON-IFRS MEASURES AND SEGMENT REPORTING MEASURES

NET REVENUES AND NET REVENUES BY SEGMENT

Net revenues and net revenues by segment are defined as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from clients.

Net revenues is a non-IFRS measure and net revenues by segment is a segment reporting measure, both without a standardized definition within IFRS. Therefore, net revenues and net revenues by segment may not be comparable to similar measures presented by other issuers.

Management analyzes the Corporation's financial performance in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the performance of the professional consulting services business. Refer to section 9.1, "Results of Operations", for reconciliations of revenues to net revenues.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA is defined as earnings before net financing expense (except interest income), income tax expense, depreciation, amortization, impairment charges and reversals thereof, share of income tax expense and depreciation of associates and acquisition, integration and restructuring costs. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues.

Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures without standardized definitions within IFRS. The Corporation's definition of adjusted EBITDA may differ from other issuers and, accordingly, these measures may not be comparable to similar measures used by other issuers.

Management analyzes the Corporation's financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. Refer to section 9.6, "Reconciliation of adjusted EBITDA", for reconciliations of earnings before net financing expense and income taxes to adjusted EBITDA.

ADJUSTED EBITDA BY SEGMENT AND ADJUSTED EBITDA MARGIN BY SEGMENT

Adjusted EBITDA by segment is defined as adjusted EBITDA excluding head office corporate costs. Head office corporate costs are expenses and salaries related to centralized functions, such as head office finance, human resources and technology teams, which are not allocated to reportable segments. Adjusted EBITDA margin by segment is defined as adjusted EBITDA before head office corporate costs expressed as a percentage of net revenues.

These are segment reporting measures without standardized definitions within IFRS. Other issuers may define adjusted EBITDA by segment differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

This metric provides Management with comparability from one reportable segment to another. Refer to section 9.6, "Reconciliation of adjusted EBITDA", for reconciliations of earnings before net financing expense and income taxes to adjusted EBITDA. Refer to section 9.5, "Adjusted EBITDA by segment", for reconciliations of adjusted EBITDA to adjusted EBITDA by segment.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Management has amended its definition of adjusted net earnings, effective January 1, 2020. The comparative period results have been restated to apply the current definition.

Adjusted net earnings is defined as net earnings attributable to shareholders excluding:
- acquisition, integration and restructuring costs;
- gains or losses on investments in securities related to deferred compensation obligations, included in other financial assets;
- unrealized gains or losses on derivative financial instruments; and
- the income tax effects related to the above-mentioned items.

Adjusted net earnings per share is calculated using the basic weighted average number of shares.

Adjusted net earnings and adjusted net earnings per share are non-IFRS measures without standardized definitions within IFRS. Other issuers may define adjusted net earnings differently and, accordingly, these measures may not be comparable to similar measures used by other issuers.

The exclusion of acquisition, integration and restructuring costs provides a comparative measure of the Corporation's performance in a context of significant business combinations, in which the Corporation may incur significant acquisition, integration and restructuring costs. In addition, in the US, the Corporation maintains a deferred compensation plan under which a portion of employees' compensation is deferred and invested in financial assets held in a trust, included in other financial assets in the Corporation's statement of financial position. These financial assets held in a trust are for the ultimate benefit of the employees but are available to the Corporation's creditors in the event of insolvency and are therefore not considered actuarial gains and losses recorded through other comprehensive income, and instead are recorded in financing expense. Finally, unrealized gains or losses on derivative financial instruments relate to future transactions and therefore are not comparable when included in the current period results.

Management believes these items should be excluded in understanding the underlying operational financial performance achieved by the Corporation. Refer to section 9.10, "Adjusted net earnings", for reconciliations of net earnings attributable to shareholders to adjusted net earnings.

BACKLOG

Backlog represents future revenues stemming from existing signed contracts to be completed. Backlog is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

FREE CASH FLOW

Free cash flow (or outflow) is defined as cash flows from operating activities, plus discretionary cash generated by the Corporation from other activities (if any), less lease payments and net capital expenditures.

Free cash flow is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Free cash flow provides a consistent and comparable measure of discretionary cash generated by, and available to, the Corporation to service debt, meet other payment obligations and make strategic investments. Refer to section 10.1, "Operating activities and free cash flow", for reconciliations of free cash flow to cash flows from operating activities.

DAYS SALES OUTSTANDING ("DSO")

DSO represents the average number of days to convert the Corporation's trade receivables (net of sales taxes) and costs and anticipated profits in excess of billings into cash, net of billings in excess of costs and anticipated profits. DSO is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

NET DEBT TO ADJUSTED EBITDA RATIO

Net debt to adjusted EBITDA ratio is a non-IFRS measure without a standardized definition within IFRS. Net debt is defined as long-term debt and other financial liabilities, including current portions but excluding lease liabilities, and net of cash.

The Corporation uses this ratio as a measure of financial leverage and it is calculated using our trailing twelve month adjusted EBITDA. Refer to section 10.4 "Net debt", for a calculation of net debt and section 11, "Eight quarter summary", for the trailing twelve month adjusted EBITDA.