

Paul Dollin
Chief Operating Officer

**ENHANCING OPERATIONAL
EXCELLENCE, EXTENDING
COMPETITIVE ADVANTAGE**

DISCUSSION





Alexandre L'Heureux
Chief Financial Officer

FINANCIAL OUTLOOK

ANALYST AND INVESTOR DAY 2014

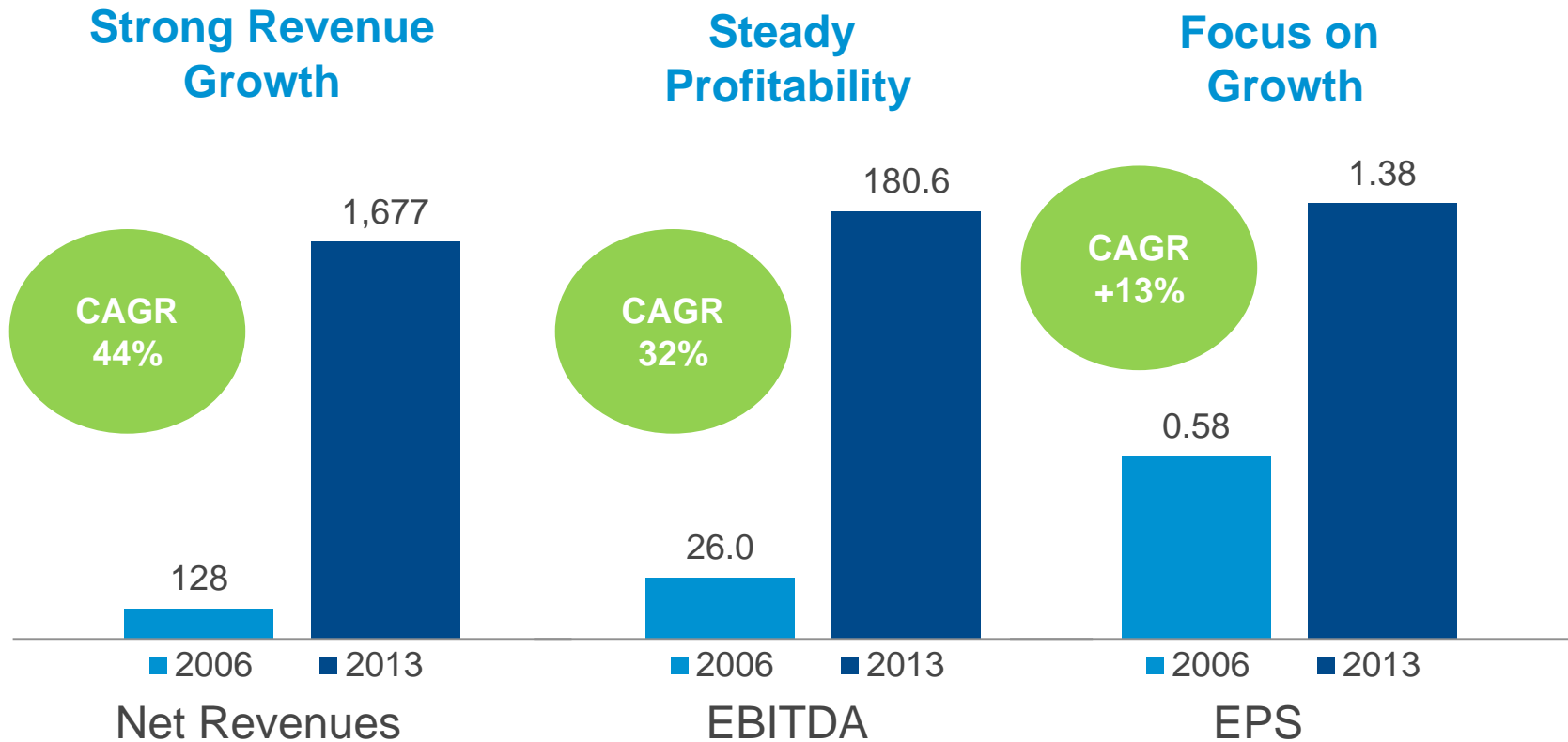
AGENDA

- ▶ Historical Financial Performance
- ▶ Fundamental Trends by Country
- ▶ Pathway to Continued Value Creation
- ▶ Capital Structure and Dividend Policy
- ▶ Key Takeaways
- ▶ Discussion



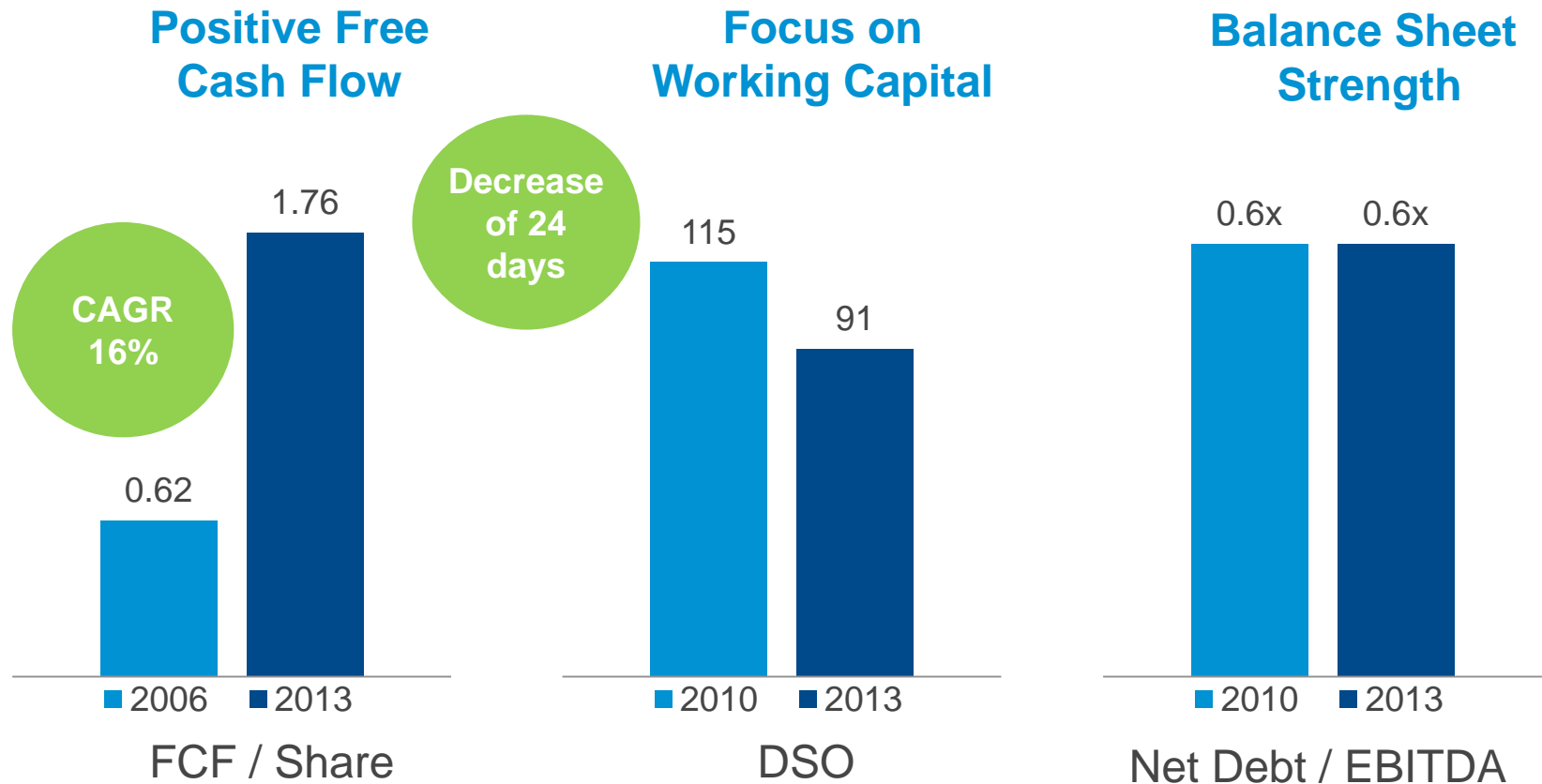
HISTORICAL FINANCIAL PERFORMANCE

SOLID TRACK RECORD SINCE IPO



- ▶ Continued commitment to Long Term Profitable Growth

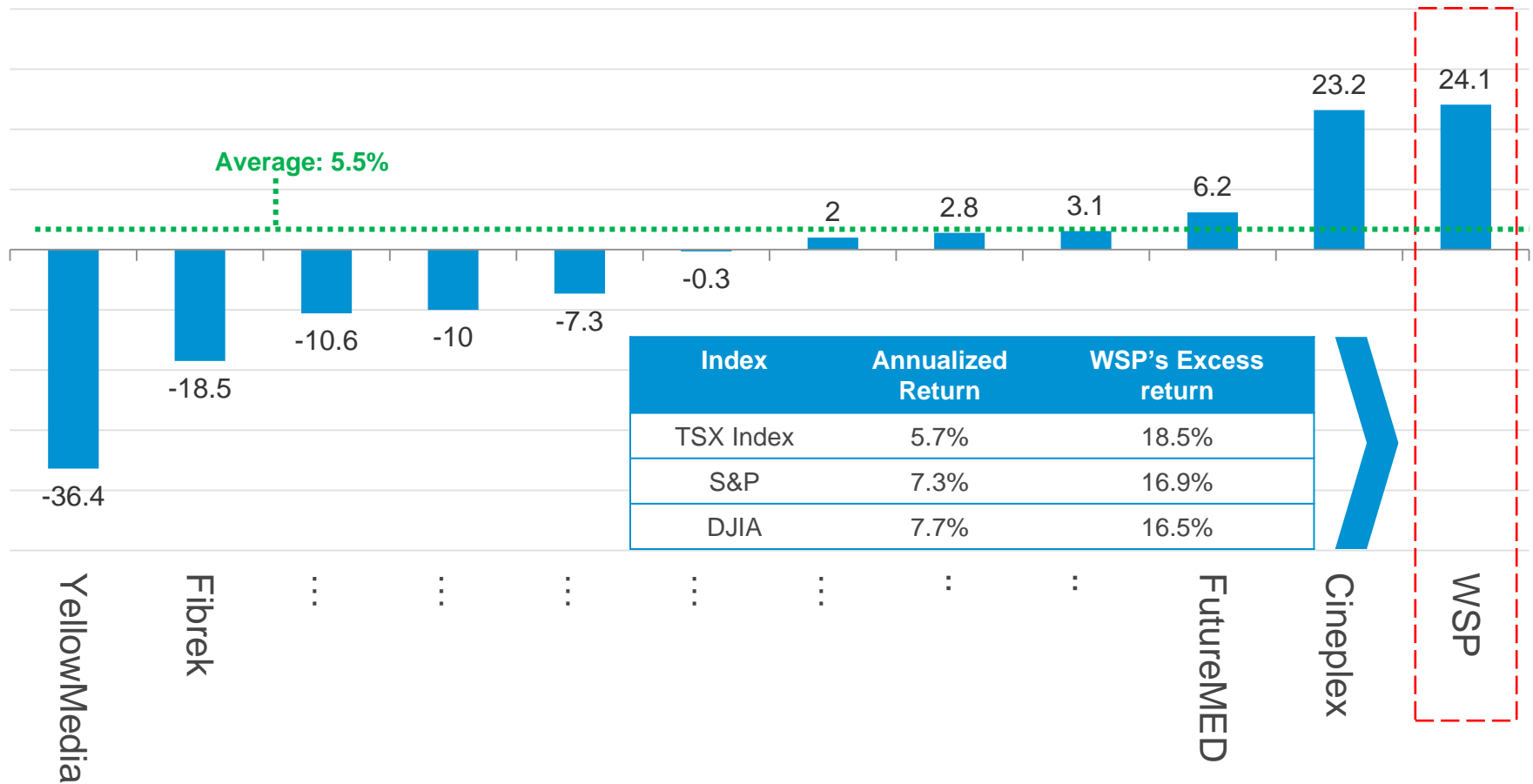
STRONG PROFITABILITY DRIVING STEADY CASH GENERATION



- ▶ Prudent capital structure despite high dividend payout & acquisitions



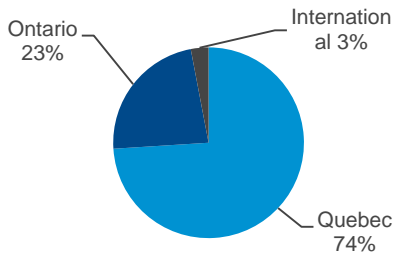
DEMONSTRATED ABILITY TO CREATE LONG-TERM VALUE FOR SHAREHOLDERS



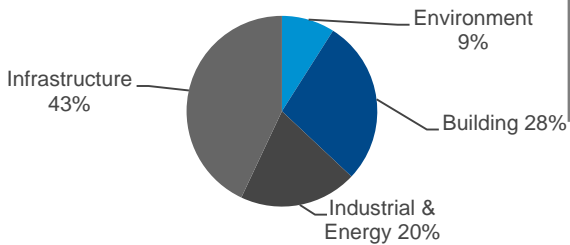
TODAY'S BUSINESS PORTFOLIO IS MORE RESILIENT & DIVERSE

2006

Geography

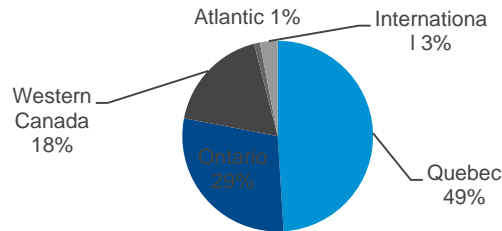


Market Segments

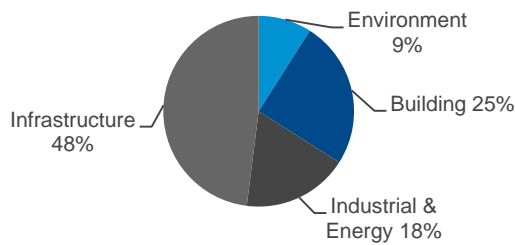


2010

Geography

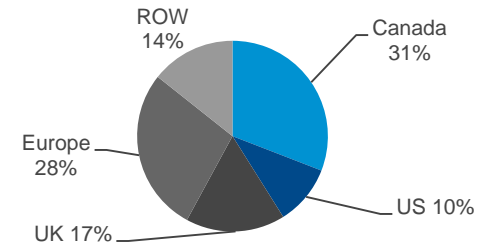


Market Segments

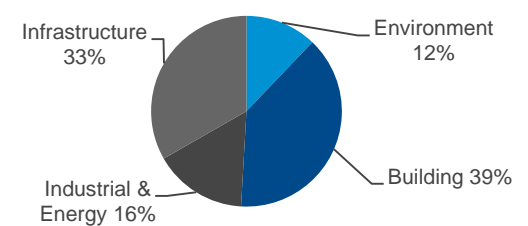


2013

Geography



Market Segments



REGIONAL

Net Revenues **\$128.8M**
 EBITDA **\$26.0M**
 Employees **1,800**

NATIONAL

Net Revenues **\$469.5M**
 EBITDA **\$83.5M**
 Employees **4,500**




GLOBAL

Net Revenues **\$1,677.2M**
 EBITDA **\$180.6M**
 Employees **15,000**







FUNDAMENTAL TRENDS BY COUNTRY

























OUTLOOK AMERICAS – PROFITABLE GROWTH

			
Net Revenues	↑	↑	↑
EBITDA	↑	↑	↑
EBITDA Margin	↑	↔	↔
DSO	↓	↓	↓
Hard Backlog	↑	↑	↓
	<ul style="list-style-type: none"> ▶ Flat to slightly negative organic growth ▶ Increased margin profile due to Focus and cost containment ▶ Eastern Canada remains challenging in 2014 	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ Strong outlook and backlog in Buildings and Transportation ▶ Working Capital initiatives ▶ Stable margin profile 	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ Positive outlook on public spending ▶ Investments to support future growth in operations ▶ Stable margins

OUTLOOK EMEA – STRONG FUNDAMENTALS



				
Net Revenues	↑	↑	↔	↑
EBITDA	↑	↑	↔	↑
EBITDA Margin	↑	↔	↔	↑
DSO	↔	↔	↓	N/A
Hard Backlog	↔	↑	↔	N/A
	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ Bullish outlook in Property & Infrastructure ▶ Selective bidding and increase in workforce ▶ Margin programs improvement around the country 	<ul style="list-style-type: none"> ▶ High single digit organic growth ▶ Positive market outlook, albeit slower growth than 2013 ▶ Focus on utilisation rates and costs 	<ul style="list-style-type: none"> ▶ Flat organic growth ▶ Uncertain market outlook offset by market share gains ▶ Target to get working capital lower 	<ul style="list-style-type: none"> ▶ High single digit organic growth ▶ Positive economic outlook in Norway ▶ Multiconsult and Link investments performing ahead of expectations

OUTLOOK EMEA – STRONG FUNDAMENTALS (cont'd)

				
Net Revenues				
EBITDA				
EBITDA Margin				
DSO				
Hard Backlog				
	<ul style="list-style-type: none"> ▶ Slightly negative organic growth ▶ Major projects being completed ▶ Increased margin profile post 2013 restructuring ▶ Will remain challenging in 2014 	<ul style="list-style-type: none"> ▶ Single digit organic growth ▶ TPS acquisition adds to Building and Industrials expertise ▶ Business combination with current operations will drive margins 	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ Selective proposals in booming markets ▶ 30% headcount growth ▶ Uplift in margins expected from major projects 	<ul style="list-style-type: none"> ▶ Slightly negative organic growth ▶ Timing of public spending projects ▶ Major wins in Industrials segment ▶ Impressive backlog growth ▶ Focus on stable margins

OUTLOOK – ASIA PACIFIC

SIGNIFICANT GROWTH OPPORTUNITIES

		
Net Revenues	↑	↑
EBITDA	↑	↑
EBITDA Margin	↔	↑
DSO	↓	↓
Hard Backlog	↑	↑
	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ High growth in China's Property segment ▶ Stable margins due to inflationary pressure and hires 	<ul style="list-style-type: none"> ▶ Double digit organic growth ▶ Significant improvement in margins ▶ Winward bulks up Building segment

PATHWAY TO CONTINUED VALUE CREATION

ONE OF CORPORATE GROUP'S MOST IMPORTANT RESPONSIBILITIES – CAPITAL ALLOCATION

Capital Allocation

1. Investing in existing operations
2. Acquisitions

NOPAT

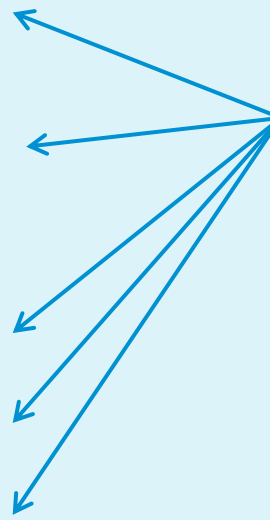
3. Paying down Debt
4. Dividends
5. Repurchasing Stock

ROIC

Invested
Capital

Financing Capital Allocation

1. Internal Cash Flows
2. Increasing Debt
3. Raising Equity



- ▶ Companies with identical results, but different capital allocation approaches will derive very different outcomes for shareholders

LINK STRATEGIC PRIORITIES TO CASH FLOW AND INVESTED CAPITAL

► Improve Cash Flow

- Generate steady and quality growth
- Target high ROIC regions
- Effective cost management, such as real estate
- Continue to attract rainmakers

► Reduce Invested Capital

- Trim down working capital in each region
- Review financial leverage
- M&A focused on ROIC

WSP COMPETES WITH THE OUTSIDE WORLD, OUR REGIONS COMPETE WITH EACH OTHER



CAPITAL STRUCTURE & DIVIDEND POLICY

OPTIMIZE OUR CAPITAL STRUCTURE

- ▶ Maintain “Dry Powder” for Future Acquisitions
 - Before Focus (Q1 2014): Net Debt / EBITDA of 0.8x
 - Focus acquisition: Net Debt / EBITDA of 1.1x
- ▶ Aim to optimize our capital structure and increase debt between 1.5 to 2.0x EBITDA
- ▶ Evaluate financing alternatives to diversify sources of debt and maturities

A GROWTH PROFILE SUPPORTED BY A VALUE ORIENTED STORY

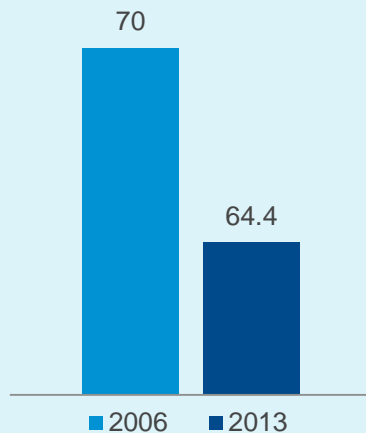
- ▶ Since IPO in 2006, WSP (GENIVAR) has declared \$392.5 million in dividends to its shareholders
- ▶ Management prefers to reward Investors with means other than share price appreciation
- ▶ Payment of dividends has never been an impairment to growth plans
- ▶ Keeps operations and management disciplined and focus on cash conversion

MAINTAINING DIVIDEND POLICY HAS NOT INCREASED WSP'S CREDIT RISK



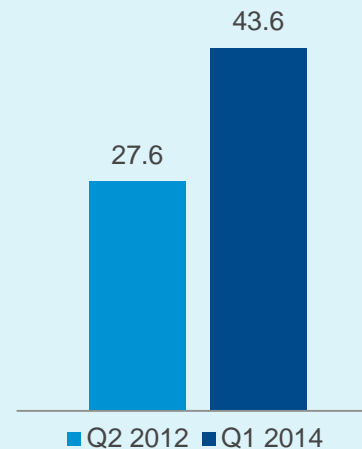
CONTINUED COMMITMENTS TO DIVIDENDS

Management Commitment to sustained Dividend policy



Cash Payout Ratio

Continued Shareholders Commitment through DRIP



% DRIP Participation

- ▶ Strong Board support to existing Dividend policy
- ▶ No plan to increase dividend until 50% payout of EPS, given actual payout level and future acquisition plans

KEY TAKEAWAYS

CLEAR 2014 FINANCIAL PRIORITIES

- ▶ Focus on growth
- ▶ Mid-single digit organic growth
- ▶ Invest in what we know and understand
- ▶ Focus on cost control and additional operation efficiencies
- ▶ Optimize capital structure and increase debt level between 1.5 to 2.0x EBITDA
- ▶ Strong and consistent free cash flow generation
- ▶ Increase our Return on Invested Capital



DISCUSSION

