WSP GLOBAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SECOND QUARTER AND SIX-MONTH PERIOD ENDED JULY 2, 2022

August 8, 2022

(in millions of Canadian dollars, except number of shares and per share data)

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Revenues (note 6)	**2,764.2**	**2,633.1**	**5,476.0**	**4,737.9**
Personnel costs (note 8)	1,589.5	1,506.3	3,188.6	2,781.9
Subconsultants and direct costs	654.6	604.3	1,266.4	1,042.3
Other operational costs	180.7	195.4	366.9	353.7
Depreciation of right-of-use assets (note 11)	69.0	69.4	140.0	130.7
Amortization of intangible assets	33.2	34.3	66.9	57.7
Depreciation of property and equipment	27.0	28.8	55.7	53.5
Impairment of right-of-use assets (notes 11)	14.3	—	14.3	—
Acquisition, integration and reorganization costs (note 7)	22.9	17.6	43.7	18.2
ERP implementation costs	11.9	—	22.0	—
Exchange gain	(3.3)	(7.3)	(4.8)	(11.0)
Share of income of associates and joint ventures, net of tax	(5.8)	(4.9)	(11.1)	(7.3)
Earnings before net financing expense and income taxes	**170.2**	**189.2**	**327.4**	**318.2**
Net financing expense (note 9)	45.2	23.5	72.3	31.9
Earnings before income taxes	**125.0**	**165.7**	**255.1**	**286.3**
Income tax expense	35.4	45.6	69.9	78.2
Net earnings	**89.6**	**120.1**	**185.2**	**208.1**
Net earnings attributable to:				
Shareholders of WSP Global Inc.	89.3	120.0	184.3	207.9
Non-controlling interests	0.3	0.1	0.9	0.2
	89.6	**120.1**	**185.2**	**208.1**
Basic net earnings per share attributable to shareholders	0.76	1.03	1.56	1.80
Diluted net earnings per share attributable to shareholders	0.75	1.02	1.56	1.80
Basic weighted average number of shares	118,041,872	116,854,428	117,967,063	115,332,517
Diluted weighted average number of shares	118,320,713	117,205,800	118,270,851	115,681,656

The accompanying notes are an integral part of these interim consolidated financial statements.

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Net earnings	89.6	120.1	185.2	208.1
Other comprehensive income (loss)				
Items that may be reclassified subsequently to net earnings				
Currency translation adjustments	(4.0)	(120.7)	(68.7)	(192.8)
Translation adjustments on financial instruments designated as a net investment hedge	(51.6)	42.9	(29.5)	46.4
Gain on financial instruments designated as a cash flow hedge	1.3	—	14.2	—
Income tax (expense) recovery on items that may be reclassified subsequently to net earnings	(0.2)	1.0	(4.3)	1.6
Items that will not be reclassified to net earnings				
Actuarial gain (loss) on pension schemes	12.0	(14.3)	27.7	3.2
Exchange differences on pension schemes	(0.4)	1.1	0.8	2.2
Income tax recovery (expense) on pension schemes	(2.5)	3.3	(5.5)	—
Total comprehensive income for the period	**44.2**	**33.4**	**119.9**	**68.7**
Comprehensive income attributable to:				
Shareholders of WSP Global Inc.	43.9	33.3	119.0	68.5
Non-controlling interests	0.3	0.1	0.9	0.2
	44.2	**33.4**	**119.9**	**68.7**

The accompanying notes are an integral part of these interim consolidated financial statements.

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)

As at	July 2, 2022	December 31, 2021
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 17)	624.0	927.4
Trade receivables and other receivables	1,979.3	1,916.8
Cost and anticipated profits in excess of billings	1,399.6	1,156.4
Prepaid expenses	173.1	169.6
Other financial assets	116.6	141.7
Income taxes receivable	36.8	28.9
	4,329.4	4,340.8
Non-current assets		
Right-of-use assets (note 11)	855.4	861.5
Intangible assets	483.3	549.9
Property and equipment	344.7	363.6
Goodwill (note 12)	4,712.0	4,762.3
Deferred income tax assets	212.0	165.1
Other assets	224.7	207.2
	6,832.1	6,909.6
Total assets	**11,161.5**	**11,250.4**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,075.2	2,217.3
Billings in excess of costs and anticipated profits	789.2	751.1
Income taxes payable	147.4	149.8
Provisions	50.0	77.5
Dividends payable to shareholders (note 16)	44.3	44.2
Current portion of lease liabilities (note 11)	254.3	254.2
Current portion of long-term debt (note 13)	311.7	297.4
	3,672.1	3,791.5
Non-current liabilities		
Long-term debt (note 13)	1,482.7	1,479.3
Lease liabilities (note 11)	759.7	766.1
Provisions	220.9	236.2
Retirement benefit obligations	176.9	212.9
Deferred income tax liabilities	105.5	99.2
	2,745.7	2,793.7
Total liabilities	**6,417.8**	**6,585.2**
Equity		
Equity attributable to shareholders of WSP Global Inc.	4,742.6	4,664.5
Non-controlling interests	1.1	0.7
Total equity	**4,743.7**	**4,665.2**
Total liabilities and equity	**11,161.5**	**11,250.4**

Approved by the Board of Directors

(signed) Alexandre L'Heureux Director   (signed) Louis-Philippe Carrière Director

The accompanying notes are an integral part of these interim consolidated financial statements.

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Balance - January 1, 2022	**3,801.2**	**208.3**	**709.5**	**(54.5)**	**4,664.5**	**0.7**	**4,665.2**
Comprehensive income							
Net earnings	—	—	184.3	—	184.3	0.9	185.2
Actuarial gain on pension schemes, net of tax	—	—	—	23.0	23.0	—	23.0
Currency translation adjustments, net of tax	—	—	—	(69.2)	(69.2)	—	(69.2)
Net investment hedge, net of tax	—	—	—	(29.5)	(29.5)	—	(29.5)
Cash flow hedge, net of tax	—	—	—	10.4	10.4	—	10.4
Total comprehensive income	**—**	**—**	**184.3**	**(65.3)**	**119.0**	**0.9**	**119.9**
Common shares issued under the DRIP (note 14)	44.7	—	—	—	44.7	—	44.7
Exercise of stock options (note 14)	0.8	(0.1)	—	—	0.7	—	0.7
Stock-based compensation expense	—	2.2	—	—	2.2	—	2.2
Declared dividends to shareholders of WSP Global Inc.	—	—	(88.5)	—	(88.5)	—	(88.5)
Dividends paid to non-controlling interests	—	—	—	—	—	(0.5)	(0.5)
	45.5	**2.1**	**(88.5)**	**—**	**(40.9)**	**(0.5)**	**(41.4)**
Balance - July 2, 2022	**3,846.7**	**210.4**	**805.3**	**(119.8)**	**4,742.6**	**1.1**	**4,743.7**

The accompanying notes are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Balance - January 1, 2021	**3,394.2**	**207.3**	**412.2**	**66.7**	**4,080.4**	**1.0**	**4,081.4**
Comprehensive income							
Net earnings	—	—	207.9	—	207.9	0.2	208.1
Actuarial gain on pension schemes, net of tax	—	—	—	5.4	5.4	—	5.4
Currency translation adjustments, net of tax	—	—	—	(192.0)	(192.0)	—	(192.0)
Net investment hedge, net of tax	—	—	—	47.2	47.2	—	47.2
Total comprehensive income	**—**	**—**	**207.9**	**(139.4)**	**68.5**	**0.2**	**68.7**
Common shares issued via public offerings and private placements	300.6	—	—	—	300.6	—	300.6
Common shares issued under the DRIP (note 14)	44.0	—	—	—	44.0	—	44.0
Exercise of stock options (note 14)	4.9	(0.9)	—	—	4.0	—	4.0
Stock-based compensation expense	—	2.0	—	—	2.0	—	2.0
Declared dividends to shareholders of WSP Global Inc.	—	—	(86.7)	—	(86.7)	—	(86.7)
	349.5	**1.1**	**(86.7)**	**—**	**263.9**	**—**	**263.9**
Balance - June 26, 2021	**3,743.7**	**208.4**	**533.4**	**(72.7)**	**4,412.8**	**1.2**	**4,414.0**

The accompanying notes are an integral part of these interim consolidated financial statements.

(in millions of Canadian dollars)

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Operating activities				
Net earnings	89.6	120.1	185.2	208.1
Adjustments (note 17)	135.3	98.3	249.1	195.1
Net financing expense (note 9)	45.2	23.5	72.3	31.9
Income tax expense	35.4	45.6	69.9	78.2
Income taxes paid	(65.4)	(46.8)	(119.9)	(72.4)
Change in non-cash working capital items (note 17)	(114.7)	(93.3)	(414.2)	(130.1)
Cash inflows from operating activities	**125.4**	**147.4**	**42.4**	**310.8**
Financing activities				
Lease payments (note 11)	(80.8)	(79.3)	(162.2)	(141.2)
Dividends paid to shareholders of WSP Global Inc.	(22.3)	(21.7)	(43.7)	(41.2)
Net financing expenses paid, excluding interest on lease liabilities	(19.8)	(23.1)	(33.3)	(27.9)
Net (repayment) proceeds of long-term debt	(24.6)	469.8	(31.3)	457.9
Issuance of senior unsecured notes (note 13)	—	500.0	—	500.0
Issuance of common shares, net of issuance costs (note 14)	—	298.6	0.7	301.2
Dividends paid to a non-controlling interest	(0.5)	—	(0.5)	—
Cash inflows (outflows) from financing activities	**(148.0)**	**1,144.3**	**(270.3)**	**1,048.8**
Investing activities				
Net disbursements related to business acquisitions	(10.9)	(1,173.3)	(21.9)	(1,218.5)
Additions to property and equipment, excluding business acquisitions	(25.7)	(17.4)	(44.2)	(30.9)
Additions to identifiable intangible assets, excluding business acquisitions	(4.3)	(6.7)	(7.2)	(9.7)
Proceeds from disposal of property and equipment	0.3	8.6	0.8	8.9
Net proceeds from disposal of businesses	0.1	—	1.6	—
Dividends received from associates	0.2	0.1	2.4	0.1
Net cash received on a loan from associate	0.1	—	0.4	0.3
Proceeds from sale of investment in an associate	—	—	—	4.4
Increase in investments in securities	(1.5)	(7.3)	(1.5)	(7.3)
Cash outflows from investing activities	**(41.7)**	**(1,196.0)**	**(69.6)**	**(1,252.7)**
Effect of exchange rate change on cash and cash equivalents	(3.5)	(6.6)	(7.2)	(14.8)
Change in net cash and cash equivalents	**(67.8)**	**89.1**	**(304.7)**	**92.1**
Cash and cash equivalents, net of bank overdraft - beginning of the period	689.4	437.7	926.3	434.7
Cash and cash equivalents, net of bank overdraft - end of period (note 17)	**621.6**	**526.8**	**621.6**	**526.8**

The accompanying notes are an integral part of these consolidated financial statements.

(Tabular figures are in millions of Canadian dollars, unless otherwise stated)

NOTES

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

1 BASIS OF PRESENTATION

WSP Global Inc. (together with its subsidiaries, the “Corporation” or “WSP”) is a professional services consulting firm which provides technical expertise and strategic advice to clients in the Transportation & Infrastructure, Earth & Environment, Property & Buildings, Power & Energy and Industry market sectors. The Corporation also offers highly specialized services in project and program delivery and advisory services. The address of its main registered office is 1600 René-Lévesque Blvd. West, Montréal, Quebec, Canada.

The common shares of the Corporation are listed under the trading symbol “WSP” on the Toronto Stock Exchange (“TSX”).

STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in compliance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). These financial statements were prepared on a going concern basis, on a historical cost basis, except for certain financial assets and liabilities (including investments in securities and derivative instruments), liabilities for share unit plans, and contingent consideration, which are measured at fair value, and defined benefit liabilities, which are measured as the net total of the present value of the defined benefit obligations minus the fair value of plan assets.

These financial statements were approved by the Corporation’s Board of Directors on August 8, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these interim condensed consolidated financial statements are the same as those described in the Corporation’s consolidated financial statements for the year ended December 31, 2021, except as described below.

All disclosures required for annual consolidated financial statements have not been included in these interim condensed consolidated financial statements. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the Corporation’s consolidated financial statements for the year ended December 31, 2021.

These interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Corporation’s results of operations, financial position and cash flows.

The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. The Corporation experiences seasonal trends in its business. In general, the third and fourth quarters historically generate the largest contribution to revenues and earnings before net financing expense and income taxes, 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. These historical seasonality trends described above have not necessarily been maintained in recent years, due to the impacts of the COVID-19 pandemic on the Corporation’s operations.

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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 second quarter results include the period from April 3, 2022 to July 2, 2022 and the comparative second quarter results include the period from March 28, 2021 to June 26, 2021.

ACCOUNTING STANDARD AMENDMENTS EFFECTIVE IN 2022

The following amendment to existing standards was adopted by the Corporation on January 1, 2022 and had no impact on the Corporation's consolidated financial statements.

ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT

In May 2020, the IASB issued *Onerous Contracts - Cost of Fulfilling a Contract*, which includes amendments to *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets*. The amendments specify which costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

RECENT STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT APPLIED

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, IASB issued a narrow-scope amendment to *IAS 1 - Presentation of Financial Statements*, which clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. Classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability or events after the reporting date. The amendment also clarifies what *IAS 1* means when it refers to the 'settlement' of a liability. The amendment is effective for the Corporation's annual reporting period beginning on January 1, 2023, with earlier application permitted. The Corporation is assessing the potential impact of this amendment.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial statements requires management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. The types of significant judgments, estimates and assumptions made by management in applying the Corporation's accounting policies are the same as those applied and described in the annual consolidated financial statements for the year ended December 31, 2021.

Estimates and assumptions are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances. Actual results will differ from estimates used, and such differences could be material.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

4 BUSINESS ACQUISITIONS

Acquisitions are accounted for using the acquisition method, and the operating results are included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Corporation will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Corporation obtains complete information about facts and circumstances that existed as of the acquisition date, up to a maximum of one year.

GOLDER ASSOCIATES

On April 7, 2021, WSP closed the acquisition of 100% of the voting shares of Enterra Holdings Ltd., the holding company of Golder Associates (“Golder” and the “Golder Acquisition”). Golder is a global consulting firm with approximately 7,000 employees and 60 years of experience in providing earth sciences and environmental consulting services. The transaction included purchase consideration totalling $1,251.5 million and repayment of long-term debt of $235.0 million, as detailed below. The resulting aggregate cash outflow in connection with the Golder Acquisition was $1.5 billion (US$1.2 billion).

The Golder Acquisition and other related transaction costs were financed using the proceeds from the Corporation's previously closed $310.0 million private placements of subscription receipts with GIC Pte. Ltd. (“GIC”) and British Columbia Investment Management Corporation (“BCI”), and new bank financing term loans entered into on January 29, 2021.

As at December 31, 2021, the Corporation had not yet completed its fair value assessment of all assets acquired and liabilities assumed in connection with the Golder Acquisition. In the quarter ended April 2, 2022, the Corporation completed its fair value assessment of all assets acquired and liabilities assumed related to this acquisition. The final determination of the fair values required some adjustments to the preliminary assessments as shown below. The Corporation did not restate the consolidated statement of financial position as at December 31, 2021 as the adjustments were deemed not material. The Corporation also determined that the net impact on the net earnings as a result of these adjustments was not material for the year ended December 31, 2021, and as such, they were accounted for in the consolidated statement of earnings for the quarter ended April 2, 2022.

The table below presents management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed as well as the final determination of the fair values made within 12 months of the acquisition date.

Intangible assets identified relate primarily to customer relationships. Management applied the excess earnings method using discounted cash flow models to value customer relationships acquired. Management's significant estimates and assumptions in applying this methodology included forecast revenues and margins attributable to the customer relationships (in excess of backlog), rates of attrition and discount rates.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash and cash equivalents	115.4	—	115.4
Trade receivables and other receivables	220.1	—	220.1
Income taxes receivable	5.9	—	5.9
Cost and anticipated profits in excess of billings	122.8	(10.5)	112.3
Prepaid expenses	13.2	—	13.2
Right-of-use assets	160.3	57.7	218.0
Property and equipment	70.3	—	70.3
Software	3.0	—	3.0
Intangible assets related to acquisitions	357.6	—	357.6
Deferred income tax assets	2.0	(0.3)	1.7
Other financial and non-financial assets	4.5	—	4.5
Liabilities			
Accounts payable and accrued liabilities	(220.4)	0.8	(219.6)
Billings in excess of costs and anticipated profits	(52.9)	—	(52.9)
Lease liabilities	(202.9)	(53.9)	(256.8)
Long-term debt	(240.9)	—	(240.9)
Provisions	(45.7)	5.0	(40.7)
Income taxes payable	(10.4)	(2.0)	(12.4)
Deferred income tax liabilities	(61.2)	1.2	(60.0)
Fair value of identifiable assets and liabilities assumed	**240.7**	**(2.0)**	**238.7**
Goodwill (note 12)	1,010.8	2.0	1,012.8
Total purchase consideration	**1,251.5**	**—**	**1,251.5**
Repayment of long-term debt	235.0	—	235.0
	1,486.5	—	1,486.5
Cash and cash equivalents acquired	(115.4)	—	(115.4)
Net cash disbursements	**1,371.1**	**—**	**1,371.1**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. None of the goodwill recognized as at July 2, 2022 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $184.0 million and gross contractual amount of $195.2 million.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

5 OPERATING SEGMENTS

SEGMENTED INFORMATION

The Corporation manages its business by geographic region. The Corporation's operating segments represent countries, or groups of countries, in which it operates. The Corporation has four reportable segments: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Asia, Australia and New Zealand).

The Corporation's global leadership team ("GLT") assesses the performance of the reportable segments based on net revenues and adjusted EBITDA by segment. Adjusted EBITDA by segment excludes items such as business acquisition, integration and reorganization costs, ERP implementation costs and head office corporate costs, which are not considered when assessing the underlying financial performance of the reportable segments. Head office corporate costs are expenses and salaries related to centralized functions, such as global finance, legal, human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, depreciation, amortization, impairment and income taxes.

Sales between segments are carried out on terms equivalent to arm's length transactions and are eliminated upon consolidation.

The net revenues reported to the GLT are derived from revenues net of subconsultant and direct costs, which are measured in a similar manner as in the interim consolidated statements of earnings, and exclude intersegmental net revenues.

The tables below present the Corporation's operations based on reportable segments:

	For the three-month period ended July 2, 2022				
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	496.3	1,067.1	789.0	411.8	2,764.2
Less: Subconsultants and direct costs	(118.1)	(328.4)	(144.6)	(63.5)	(654.6)
Net revenues	378.2	738.7	644.4	348.3	2,109.6
Adjusted EBITDA by segment	82.7	142.4	91.5	60.8	377.4
Head office corporate costs					(25.2)
Depreciation and amortization					(129.2)
Impairment of right-of-use assets					(14.3)
Acquisition, integration and reorganization costs					(22.9)
ERP implementation costs					(11.9)
Net financing expenses, excluding interest income					(46.3)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(2.6)
Earnings before income taxes					125.0

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	For the three-month period ended June 26, 2021				
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	440.9	1,011.7	783.4	397.1	2,633.1
Less: Subconsultants and direct costs	(87.8)	(325.1)	(134.0)	(57.4)	(604.3)
Net revenues	353.1	686.6	649.4	339.7	2,028.8
Adjusted EBITDA by segment	73.7	143.9	90.7	59.0	367.3
Head office corporate costs					(24.7)
Depreciation and amortization					(132.5)
Acquisition, integration and reorganization costs					(17.6)
Net financing expenses, excluding interest income					(24.0)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(2.8)
Earnings before income taxes					165.7

	For the six-month period ended July 2, 2022				
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	978.4	2,096.5	1,579.4	821.7	5,476.0
Less: Subconsultants and direct costs	(233.9)	(633.0)	(271.6)	(127.9)	(1,266.4)
Net revenues	744.5	1,463.5	1,307.8	693.8	4,209.6
Adjusted EBITDA by segment	154.6	264.9	193.8	117.5	730.8
Head office corporate costs					(54.0)
Depreciation and amortization					(262.6)
Impairment of right-of-use assets					(14.3)
Acquisition, integration and reorganization costs					(43.7)
ERP implementation costs					(22.0)
Net financing expenses, excluding interest income					(73.7)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(5.4)
Earnings before income taxes					255.1

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	For the six-month period ended June 26, 2021				
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	712.1	1,808.2	1,518.6	699.0	4,737.9
Less: Subconsultants and direct costs	(134.9)	(568.6)	(245.0)	(93.8)	(1,042.3)
Net revenues	577.2	1,239.6	1,273.6	605.2	3,695.6
Adjusted EBITDA by segment	108.2	233.6	187.5	98.8	628.1
Head office corporate costs					(44.5)
Depreciation and amortization					(241.9)
Acquisition, integration and reorganization costs					(18.2)
Net financing expenses, excluding interest income					(32.6)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(4.6)
Earnings before income taxes					286.3

6 REVENUES

The tables below present the Corporation’s disaggregated revenues by market sector and client category:

	For the six-month period ended July 2, 2022				
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	285.4	1,177.9	730.1	420.1	2,613.5
Earth & Environment	413.0	513.0	212.7	160.2	1,298.9
Property & Buildings	171.2	250.6	501.6	209.1	1,132.5
Power & Energy	49.6	150.5	97.7	25.4	323.2
Industry	59.2	4.5	37.3	6.9	107.9
	978.4	2,096.5	1,579.4	821.7	5,476.0
Client category					
Public sector	277.0	1,275.2	847.0	462.2	2,861.4
Private sector	701.4	821.3	732.4	359.5	2,614.6
	978.4	2,096.5	1,579.4	821.7	5,476.0

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	For the six-month period ended June 26, 2021				
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	266.5	1,058.5	717.3	335.7	2,378.0
Earth & Environment[(1)]	267.6	490.9	165.6	125.8	1,049.9
Property & Buildings	143.4	197.6	502.1	210.5	1,053.6
Power & Energy	25.6	55.8	95.0	23.7	200.1
Industry	9.0	5.5	38.6	3.2	56.3
	712.1	1,808.3	1,518.6	698.9	4,737.9
Client category					
Public sector	258.2	1,164.8	849.3	377.0	2,649.3
Private sector	453.9	643.5	669.3	321.9	2,088.6
	712.1	1,808.3	1,518.6	698.9	4,737.9

(1) As at January 1, 2022, the Resources market sector was combined with the Earth & Environment market sector. The disaggregated revenues for the six-month period ended June 26, 2021 have been restated to align to the new presentation.

7 ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Business acquisition costs	8.9	6.8	9.4	8.8
Business integration costs	11.9	6.0	30.2	7.6
Restructuring and severance costs stemming from adjustments to cost structures	2.1	5.1	4.1	6.5
Gains on disposal of non-core assets	—	(0.3)	—	(4.7)
	22.9	17.6	43.7	18.2

Included in acquisition, integration and reorganization costs are employee benefit costs of $2.2 million and $4.2 million for the second quarter and six-month period ended July 2, 2022 ($3.8 million and $4.1 million in the comparable periods in 2021). Other than employee benefit costs, costs relate mainly to legal and professional fees and early contract termination costs.

8 GOVERNMENT GRANTS

During the second quarter and six-month period ended July 2, 2022, the Corporation recorded government subsidies of $3.5 million and $4.5 million, respectively, recognized in personnel costs ($2.8 million and $10.9 million during the comparable periods in 2021). There are no unfulfilled conditions or contingencies attached to these grants.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

9 NET FINANCING EXPENSE

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Interest expense related to credit facilities and senior unsecured notes	11.9	10.8	20.9	15.2
Interest expense on lease liabilities	9.1	10.7	18.6	20.5
Net financing expense on pension obligations	0.8	0.5	1.7	1.1
Exchange loss on assets and liabilities denominated in foreign currencies	4.7	5.6	6.2	3.3
Unrealized losses (gains) on derivative financial instruments	2.1	—	(3.5)	(2.0)
Other interest and bank charges	3.2	3.1	7.4	4.6
Loss (gain) on investments in securities	14.5	(6.7)	22.4	(10.1)
Interest income	(1.1)	(0.5)	(1.4)	(0.7)
	45.2	23.5	72.3	31.9

10 FINANCIAL INSTRUMENTS

FAIR VALUE

The Corporation's senior unsecured notes are financial liabilities carried at amortized costs. As at July 2, 2022, the fair value of the senior unsecured notes, which is based on unadjusted quote prices (Level 1), was $438.4 million.

FINANCIAL RISK MANAGEMENT

The Corporation enters into foreign currency forward contracts and options to hedge the variability in the foreign currency exchange rate of certain currencies against the Canadian dollar. As at July 2, 2022, the net fair market value gain of these forward contracts and options amounted to $6.2 million, and gains of $1.2 million and $9.0 million, respectively, were recorded in net earnings in the second quarter and the six-month period ended July 2, 2022. The largest hedged currency outstanding as at July 2, 2022 represents a nominal amount of $313.0 million US dollars.

The Corporation also entered into interest rate swaps for a nominal amount of $325.0 million US dollars to hedge the variability in interest rates of its US-dollar denominated debt. The fair market value gain of these interest rate swap agreements as at July 2, 2022 amounted to $17.6 million and the change in fair value was recorded in other comprehensive income.

The Corporation entered into cross-currency interest rate swaps for a nominal amount of $500.0 million Canadian dollars to hedge the variability in the USD/CAD currency risk of the Corporation’s net investment in foreign entities having the USD as their functional currency. The fair market value loss of these cross-currency interest rate swaps agreements as at July 2, 2022 amounted to $20.6 million and the change in fair value was recorded in other comprehensive income.

The Corporation enters into derivative financial instruments with Canadian financial institutions to limit the Corporation's exposure to the variability of cash-settled long-term incentive plan (“LTIP”) share unit compensation plans caused by fluctuations in its common share price. The value of the derivative financial instruments fluctuates in accordance with the movement of the Corporation's common share price and are classified as fair value through profit or loss. As such, they are measured at fair value on the consolidated statement of financial position and the mark-to-market gain or loss pertaining to derivative financial instruments is recorded in personnel costs. As at July 2, 2022, the Corporation had hedges outstanding for 660,000 of its common shares, with total fair value loss of $14.0 million (for 710,000 shares, with a gain of $41.2 million as at December 31, 2021). In the second quarter and the six-month period ended July 2, 2022, mark-to-market losses on LTIP hedging instruments recorded in personnel costs were $11.7 million and $27.7 million, respectively (gains of $16.1 million and $16.2 million during the comparable periods in 2021).

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	For the six-month period ended July 2, 2022			For the six-month period ended June 26, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	830.4	31.1	861.5	831.4	62.9	894.3
Additions through business acquisitions and measurement period adjustments	66.0	(0.1)	65.9	190.9	7.9	198.8
Additions	78.2	6.6	84.8	39.6	7.6	47.2
Lease renewals, reassessments and modifications	13.4	(1.3)	12.1	3.4	(44.4)	(41.0)
Depreciation expense	(132.6)	(7.4)	(140.0)	(125.6)	(5.1)	(130.7)
Impairment	(14.3)	—	(14.3)	—	—	—
Utilization of lease inducement allowances	6.2	—	6.2	8.6	—	8.6
Exchange differences	(19.4)	(1.4)	(20.8)	(28.0)	(0.7)	(28.7)
Balance - End of period	827.9	27.5	855.4	920.3	28.2	948.5

In the second quarter of 2022, the Corporation recorded impairment charges against certain real estate right-of-use assets, in the context of on-going reorganizations as part of the real estate strategy following recent acquisitions in order to reduce the Corporation's footprint, realize synergies and improve the cost structure of the combined business.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

LEASE LIABILITIES

	For the six-month period ended July 2, 2022			For the six-month period ended June 26, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	994.0	26.3	1,020.3	963.1	55.3	1,018.4
Additions through business acquisitions and measurement period adjustments	62.0	0.1	62.1	234.2	8.2	242.4
Additions	78.2	6.6	84.8	39.6	7.6	47.2
Lease renewals, reassessments and modifications	13.4	(1.1)	12.3	3.4	(42.3)	(38.9)
Interest expense on lease liabilities (note 9)	18.2	0.4	18.6	20.2	0.3	20.5
Payments	(154.9)	(7.3)	(162.2)	(135.1)	(6.1)	(141.2)
Exchange differences	(21.2)	(0.7)	(21.9)	(31.7)	(0.2)	(31.9)
Balance - End of period	989.7	24.3	1,014.0	1,093.7	22.8	1,116.5
Current portion of lease liabilities	242.0	12.3	254.3	245.3	12.4	257.7
Non-current portion of lease liabilities	747.7	12.0	759.7	848.4	10.4	858.8

12 GOODWILL

	July 2, 2022	December 31, 2021
	$	$
Balance – As at January 1	4,762.3	3,731.9
Goodwill resulting from business acquisitions	4.2	1,135.7
Measurement period adjustments (note 4)	1.9	(14.4)
Exchange differences	(56.4)	(90.9)
Balance – As at end of period	4,712.0	4,762.3

13 LONG-TERM DEBT

As at	July 2, 2022	December 31, 2021
	$	$
Borrowings under credit facilities	1,222.8	1,202.3
Senior unsecured notes	500.0	500.0
Bank overdraft	2.4	1.1
Other financial liabilities	69.2	73.3
	1,794.4	1,776.7
Current portion	311.7	297.4
Non-current portion	1,482.7	1,479.3

CREDIT FACILITIES

WSP has in place a US$1,400-million credit facility with a syndicate of financial institutions comprised of:

- a senior unsecured non-revolving term loan of US$200.0 million expiring on December 18, 2022; and
- a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million with a maturity date of April 13, 2027.

The amount available under the US$1,400-million credit facility was $1,469.5 million as at July 2, 2022.

WSP has in place a US$750-million credit facility. As at July 2, 2022 this committed credit facility has been fully drawn in the form of term loans with various maturity dates up to April 2025.

Subsequent to the end of the quarter, in August 2022, the Corporation entered into a new fully-committed US$1.81 billion term credit facility with various tenors of up to 5 years in length. The Corporation expects to use this credit facility to finance the E&I Acquisition (see note 18).

Subsequent to the end of the quarter and concurrently with the announcement of the RPS Acquisition, in August 2022, WSP secured a new fully committed “certain funds” £600 million (approximately $935 million) credit facility, which includes commitments for the full amount of the purchase price for the RPS Acquisition. (see note 19).

SENIOR UNSECURED NOTES

On April 19, 2021, WSP issued senior unsecured notes at par for aggregate gross proceeds of $500 million, due April 19, 2028 (the “Notes”). The Notes bear interest at a fixed rate of 2.408% per annum, payable semiannually until maturity on the 19th day of April and October in each year.

The Notes are senior unsecured obligations of WSP, ranked pari passu with all other unsecured and unsubordinated indebtedness of WSP, issued pursuant to a Trust Indenture, as supplemented by a first supplemental indenture, each dated April 19, 2021.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

14 SHARE CAPITAL

AUTHORIZED

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

ISSUED AND PAID

	Common shares	
	Number	$
Balance as at January 1, 2021	113,534,451	3,394.2
Shares issued related to private placements	3,333,898	300.8
Shares issued under the Dividend Reinvestment Plan (DRIP)	696,892	92.6
Shares issued upon exercise of stock options	217,774	13.8
Costs related to public bought deals and private placements of previous periods	—	(0.2)
Balance as at December 31, 2021	117,783,015	3,801.2
Shares issued under the DRIP (note 16)	274,397	44.7
Shares issued upon exercise of stock options	9,238	0.8
Balance as at July 2, 2022	118,066,650	3,846.7

On January 14, 2021, the Corporation closed a private placement subscription receipt financing. The Corporation issued an aggregate of 3,333,898 subscription receipts (the “Subscription Receipts”) from treasury at a price of $92.98 per Subscription Receipt by way of a private placement to each of GIC and BCI, for aggregate gross proceeds of approximately $310.0 million.

Upon completion of the Golder Acquisition on April 7, 2021, each of GIC and BCI received one common share of WSP for each Subscription Receipt held, plus an amount per common share equal to any dividend payable by WSP on the common shares between the date of issuance of the Subscription Receipts and the closing of the Golder Acquisition.

As at July 2, 2022, no preferred shares were issued.

15 CAPITAL MANAGEMENT

The Corporation’s primary objectives when managing capital structure are as follows:

- maintain financial flexibility in order to meet financial obligations, to provide dividends, to execute growth plan and to continue growth through business acquisitions;
- manage the Corporation’s activities in a responsible way in order to provide an adequate return for its shareholders; and
- comply with financial covenants required under the credit facilities.

One way the Corporation monitors its capital structure is by using the consolidated net debt to consolidated adjusted EBITDA ratio. This ratio is used to determine what the maximum debt level could be.

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

As at	July 2, 2022	December 31, 2021
Long-term debt[1]	1,794.4	1,776.7
Less: Cash and cash equivalents (note 17)	(624.0)	(927.4)
Net debt	1,170.4	849.3

For the trailing twelve-month period ended	July 2, 2022	December 31, 2021
Adjusted EBITDA	1,415.7	1,322.5
Net debt to adjusted EBITDA ratio	0.8	0.6

(1) Including current portion.

16 DIVIDENDS

On May 11, 2022, the Corporation declared a dividend of $0.375 per share, paid on July 15, 2022, to shareholders of record on June 30, 2022. The total amount of the dividend payable for the second quarter was $44.3 million, which was paid subsequent to the end of the quarter.

DIVIDEND REINVESTMENT PLAN (DRIP)

Under the DRIP, the holders of common shares may elect to have cash dividends reinvested into additional common shares. The shares to be delivered can be purchased on the open market or issued from treasury at the discretion of management. The shares issued from treasury can be issued at a discount of up to 5.0% of the applicable average market price.

Following the payment of dividends declared on November 9, 2021 and March 9, 2022, $44.7 million was reinvested in 274,397 common shares under the DRIP during the six-month period ended July 2, 2022.

Subsequent to the end of the quarter, on July 15, 2022, $21.6 million of the second quarter dividend was reinvested in 153,724 additional common shares under the DRIP, issued at a discount of 2.0%.

17 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	July 2, 2022	December 31, 2021
	$	$
Cash on hand and with banks	624.0	927.4
Less: Bank overdraft (note 13)	(2.4)	(1.1)
Cash and cash equivalents, net of bank overdraft	621.6	926.3

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

ADJUSTMENTS

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Depreciation, amortization and impairment of long-lived assets	143.5	132.5	276.9	241.9
Share of income of associates and joint ventures, net of tax	(5.8)	(4.9)	(11.1)	(7.3)
Defined benefit pension scheme expense	3.1	2.3	5.4	5.7
Cash contribution to defined benefit pension schemes	(2.9)	(3.0)	(6.0)	(5.3)
Foreign exchange and non-cash movements	(1.2)	(20.5)	(3.2)	(28.1)
Gains on sale of property and equipment	—	(6.3)	—	(6.3)
Gain on sale of an associate	—	—	—	(4.4)
Other	(1.4)	(1.8)	(12.9)	(1.1)
	135.3	98.3	249.1	195.1

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
	$	$	$	$
Decrease (increase) in:				
Trade, prepaid and other receivables	(107.3)	(78.9)	(56.6)	(78.1)
Costs and anticipated profits in excess of billings	(54.1)	(91.3)	(269.5)	(155.6)
Increase (decrease) in:				
Accounts payable and accrued liabilities	16.0	38.9	(139.1)	97.5
Billings in excess of costs and anticipated profits	30.7	38.0	51.0	6.1
	(114.7)	(93.3)	(414.2)	(130.1)

18 COMMITMENTS

Acquisition of the Environment & Infrastructure business of John Wood Group plc

In June 2022, the Corporation entered into a definitive agreement to acquire the Environment & Infrastructure business ("E&I") of John Wood Group plc ("Wood") for aggregate cash consideration of US$1.81 billion (the "E&I Acquisition"). E&I provides engineering, remediation consulting, environmental permitting, inspection & monitoring, and environmental management services to clients in the government, industrial, infrastructure, oil & gas, power, water and mining industries. E&I operates in approximately 100 offices with over 5,500 environmental consulting staff across more than 10 countries.

The E&I Acquisition is expected to be funded by a new fully committed US$1.81 billion term credit facility with various tenors of up to 5 years in length.

Closing of the E&I Acquisition is subject to certain customary closing conditions, including (i) the approval of Wood's shareholders which was received on August 3, 2022, (ii) completion by Wood of a group reorganization to achieve separation of the E&I business, and (iii) applicable regulatory conditions. In accordance with the definitive agreement, if WSP terminates the transaction prior to closing for reasons specified in the contract, the Corporation would be subject to a breakage fee of US$18.1 million.

19 SUBSEQUENT EVENTS

Acquisition of RPS Group plc

In August 2022, WSP announced an agreement with RPS Group plc ("RPS"), approved by the board of directors of both companies, on the terms of a cash acquisition pursuant to which the Corporation will acquire the entire issued and to be issued share capital of RPS for £2.06 per share in cash (the "RPS Acquisition"), for an aggregate cash consideration of approximately £591 million (approximately $922 million).

RPS is a global professional services firm of approximately 5,000 talented employees, which provides technology-enabled services to government and private sector clients with a focus on front-end consulting.

Concurrently with the announcement of the RPS Acquisition, WSP has secured a new fully committed "certain funds" £600 million (approximately $935 million) credit facility (the "New Credit Facility"), which includes commitments for the full amount of the purchase price for the RPS Acquisition.

Concurrently with the announcement of the RPS Acquisition, WSP also announced the following equity financings:

- $400 million bought deal public offering of common shares of the Corporation (the "Common Shares") at a price of $151.75 per share (the "Offer Price"); and
- $400 million of private placements of Common Shares at the Offer Price to three existing institutional shareholders of WSP, (i) GIC Pte. Ltd or one of its affiliates, (ii) Caisse de dépôt et placement du Québec, and (iii) a subsidiary of Canada Pension Plan Investment Board.

Subject, amongst other things, to (i) the satisfaction or waiver of the conditions, (ii) the approval of a Court-sanctioned scheme of arrangement under Part 26 of the *U.K. Companies Act 2006* by the RPS shareholders, (iii) the receipt of applicable regulatory approvals, and (iv) the Court's sanction of the scheme of arrangement, it is expected that the RPS Acquisition will be completed by the end of the fourth quarter of 2022.

Acquisition of Capital REI and GLH

Subsequent to the end of the quarter, in August 2022, WSP entered into an agreement to acquire two UK-based businesses, Capita (Real Estate & Infrastructure) Ltd. ("Capita REI") and GL Hearn Ltd. ("GLH"), both owned by Capita plc, for an aggregate cash consideration of £60 million. The transaction is subject to receipt of regulatory approvals. Capita REI is a provider of specialist advisory, design, engineering, environmental and project management services for land, building and infrastructure owners, while GLH provides cross-sector advice to developers and investors. Together, both businesses will add around 1,000 UK-based employees to WSP's workforce. The acquisitions of Capita REI and GLH will be financed using WSP's available cash and credit facilities.