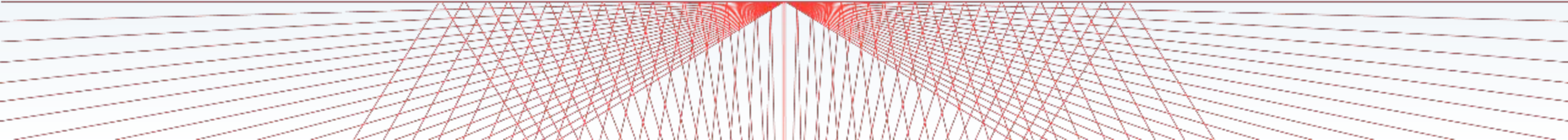




# Q1 2019 results

May 14, 2019

wsp



# Cautionary statement

Certain information regarding WSP contained herein may constitute forward-looking statements. Forward-looking statements may include estimates, plans, expectations, opinions, forecasts, projections, guidance or other statements that are not statements of fact. Although WSP believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. WSP's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The complete version of the cautionary note regarding forward-looking statements as well as a description of the relevant assumptions and risk factors likely to affect WSP's actual or projected results are included in the Management's Discussion and Analysis for the year ended December 31, 2017, which is available on SEDAR at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this presentation are made as of the date hereof and WSP does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise unless expressly required by applicable securities laws.

## Non-IFRS measures

The Corporation reports its financial results in accordance with IFRS. However, the following non-IFRS measures are used by the Corporation: net revenues; EBITDA; adjusted EBITDA; adjusted EBITDA margin; days sales outstanding (or DSO) and net debt to adjusted EBITDA ratio. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com). Management believes that these non-IFRS measures provide useful information to investors regarding the Corporation's financial condition and results of operations as they provide key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similar computations as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

## Q1 2019 Highlights – Solid start to the year

3

Q1 financial performance meeting targets set out in 2019 outlook

Integration of Louis Berger proceeding according to plan

Major project wins in Canada, the US and ANZ

Outlook updated for impact of IFRS 16





## Today's Agenda

- Q1 2019 overview
- Major project wins and acquisitions
- Q1 2019 financial performance and outlook
- IFRS 16 impact





# **Q1 2019 Overview**

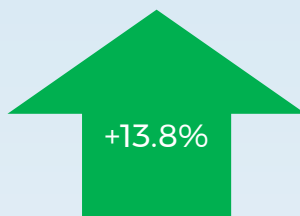


# Q1 Financial Performance



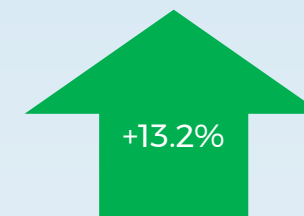
## Revenues

\$2.2B

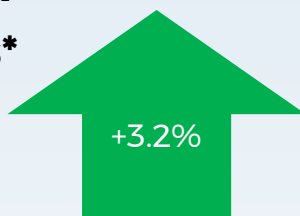


## Net revenues\*

\$1.7B  
+13.2%



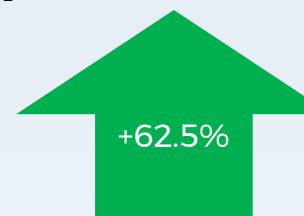
## Organic growth in net revenues\*



## Adjusted EBITDA\*

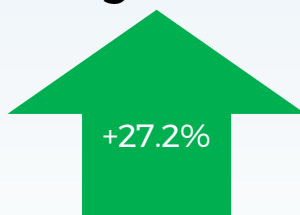
\$216.9M

Adjusted  
EBITDA margin\*  
13%



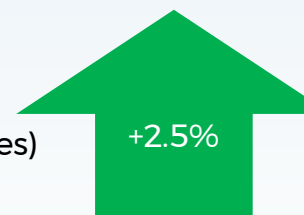
## Adjusted net earnings\*

\$70.2M



## Backlog\*

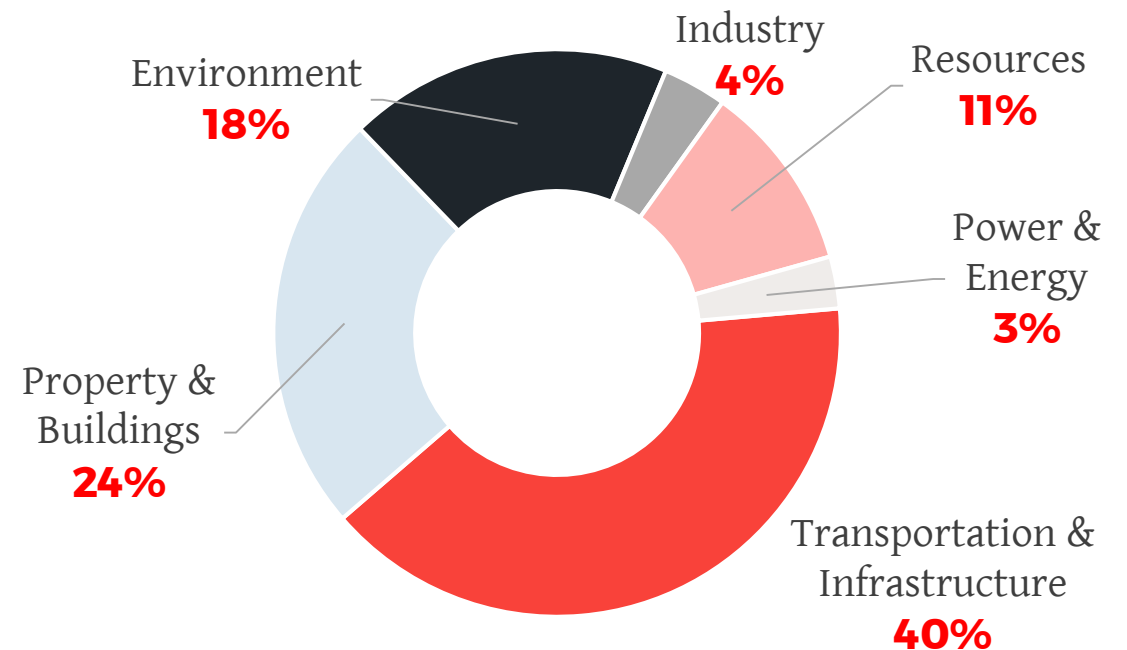
\$7.9B  
(10.7 months of revenues)





## Canada

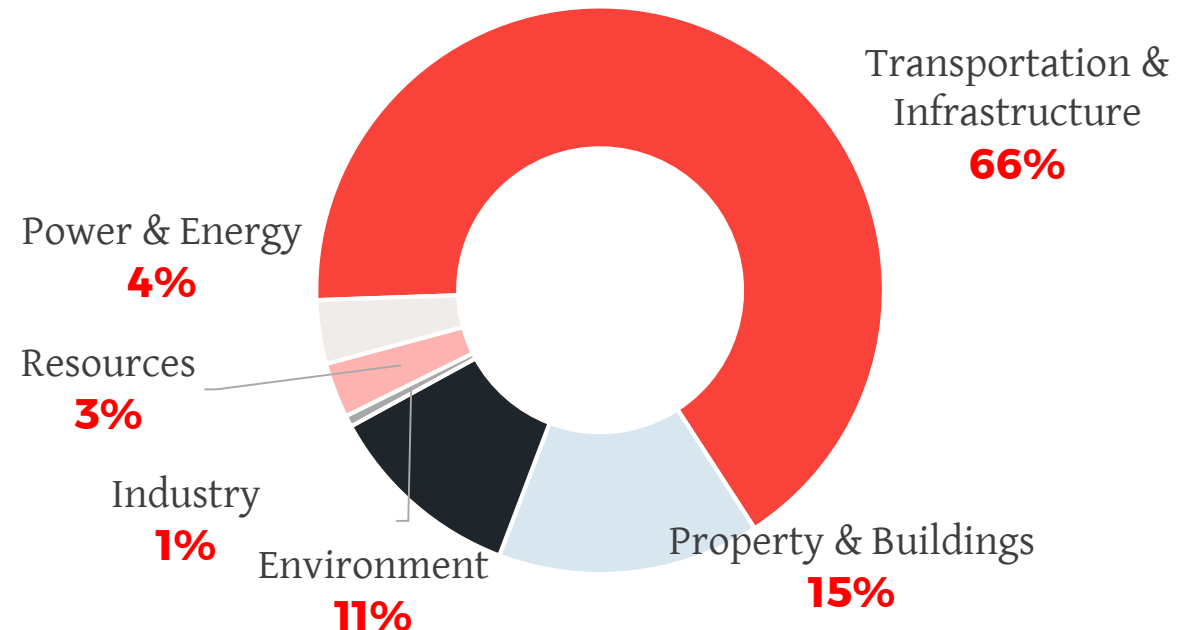
- 0.7% organic growth in net revenues\*
- 10.1% pre-IFRS 16 adjusted EBITDA margin before Global Corporate costs\* (15.5% including IFRS 16)



\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

## Americas

- Negative 0.5% organic growth in net revenues\* (positive organic growth of 5.3% when excluding impact of FEMA on 2018 results)
- 10.6% pre-IFRS 16 adjusted EBITDA margin before Global Corporate costs\* (14.6% including IFRS 16)



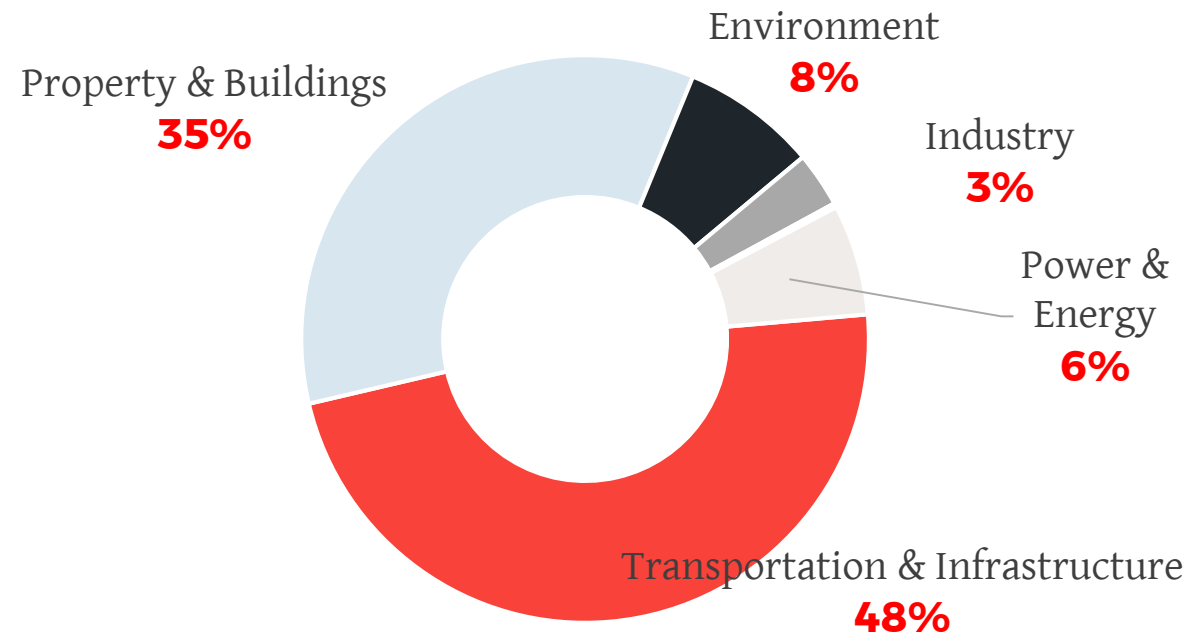
\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)





## EMEIA

- 5.7% organic growth in net revenues\*
- 10.6% pre-IFRS 16 adjusted EBITDA margin before Global Corporate costs\* (13.6% including IFRS 16)

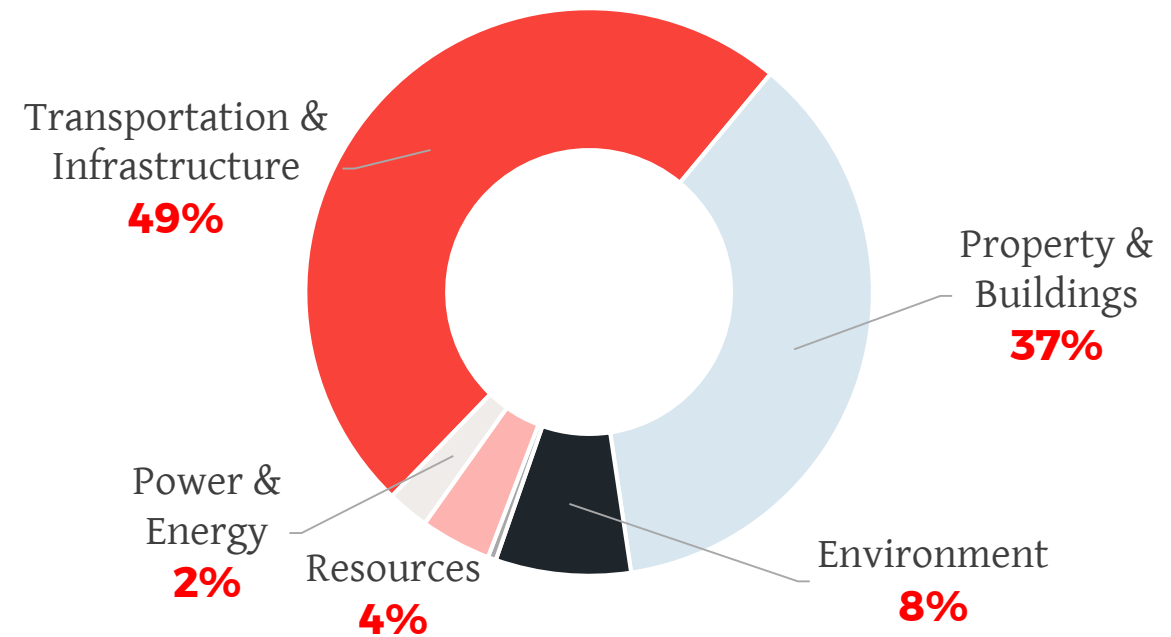


\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)



## APAC

- 6.9% organic growth in net revenues\*
- 10.2% pre-IFRS 16 adjusted EBITDA margin before Global Corporate costs\* (14.3% including IFRS 16)



\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)





# Major Project Wins and Acquisitions





## Ottawa Confederation Line LRT Extension

- Part of the East-West Connectors joint venture partnership.
- Design engineering services.
- 27 kilometres of new LRT tracks, several new bridge structures, 16 stations, tunnelling, lining of several new roads, and construction of a new road.
- \$2.6 billion project.





## NC 540 highway project in Raleigh, North Carolina

- Lead designer for the Construction Joint Venture.
- Management, permitting and construction drawings for the entire project; design services during construction.
- 22 bridge sites and a new turbine interchange.
- \$2.2 billion project.



## Auckland City Rail Loop Stations and Tunnels

- Part of a consortium selected as the preferred tenderer for the Auckland City Rail Loop Stations and Tunnels, New Zealand's largest transport infrastructure project ever.
- Design engineering services.
- Direct result of combining legacy Opus local presence and expertise with our global rail capability.
- Overall value of \$NZ 4.4 billion.

# 4 acquisitions in Europe and the United States



15

- 300 employees
- Specific expertise or access to specific geographies
- Financed using balance sheet



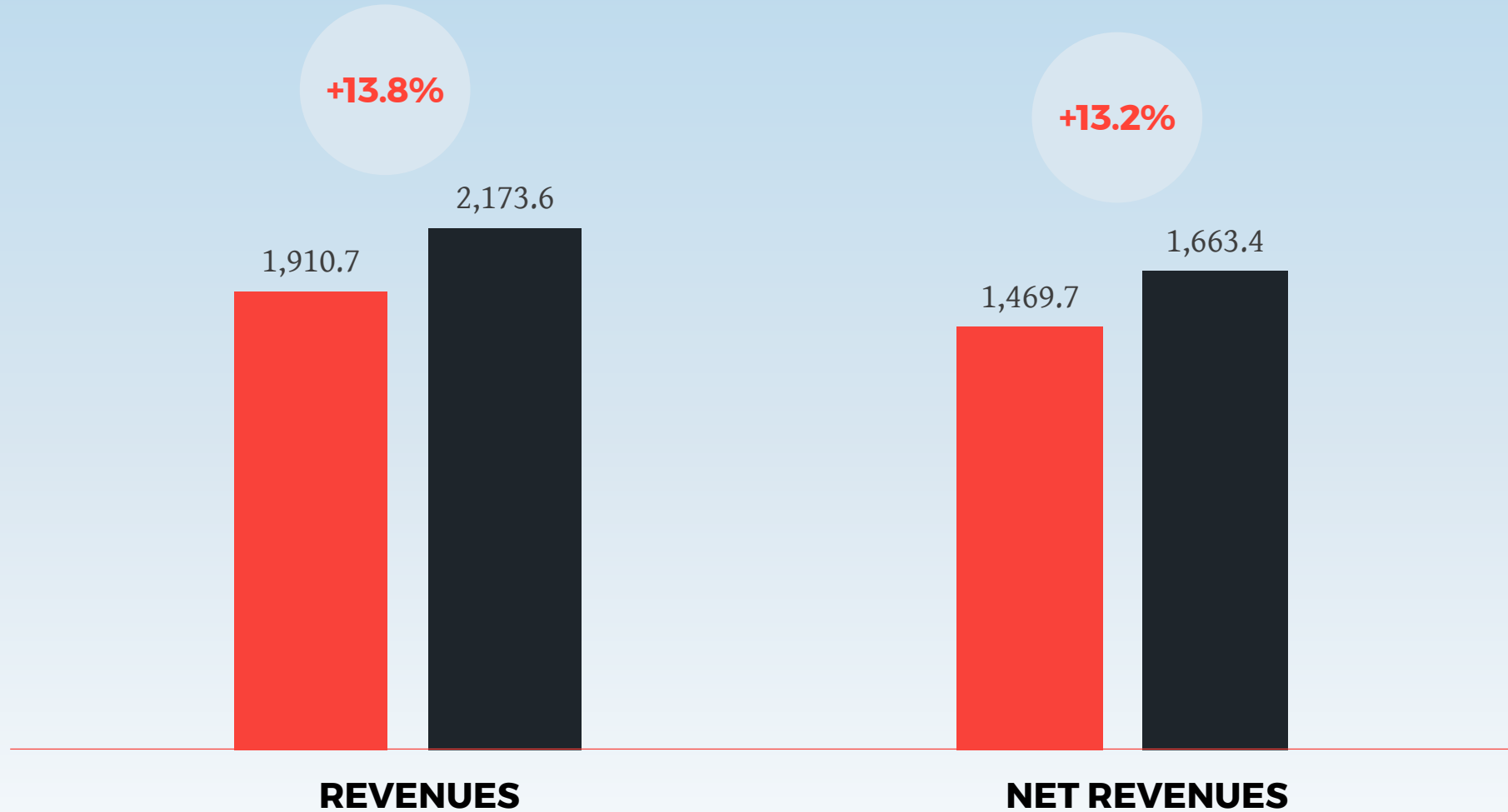
**Q1 2019**  
**Financial Performance**





# Revenues and Net Revenues\*

17

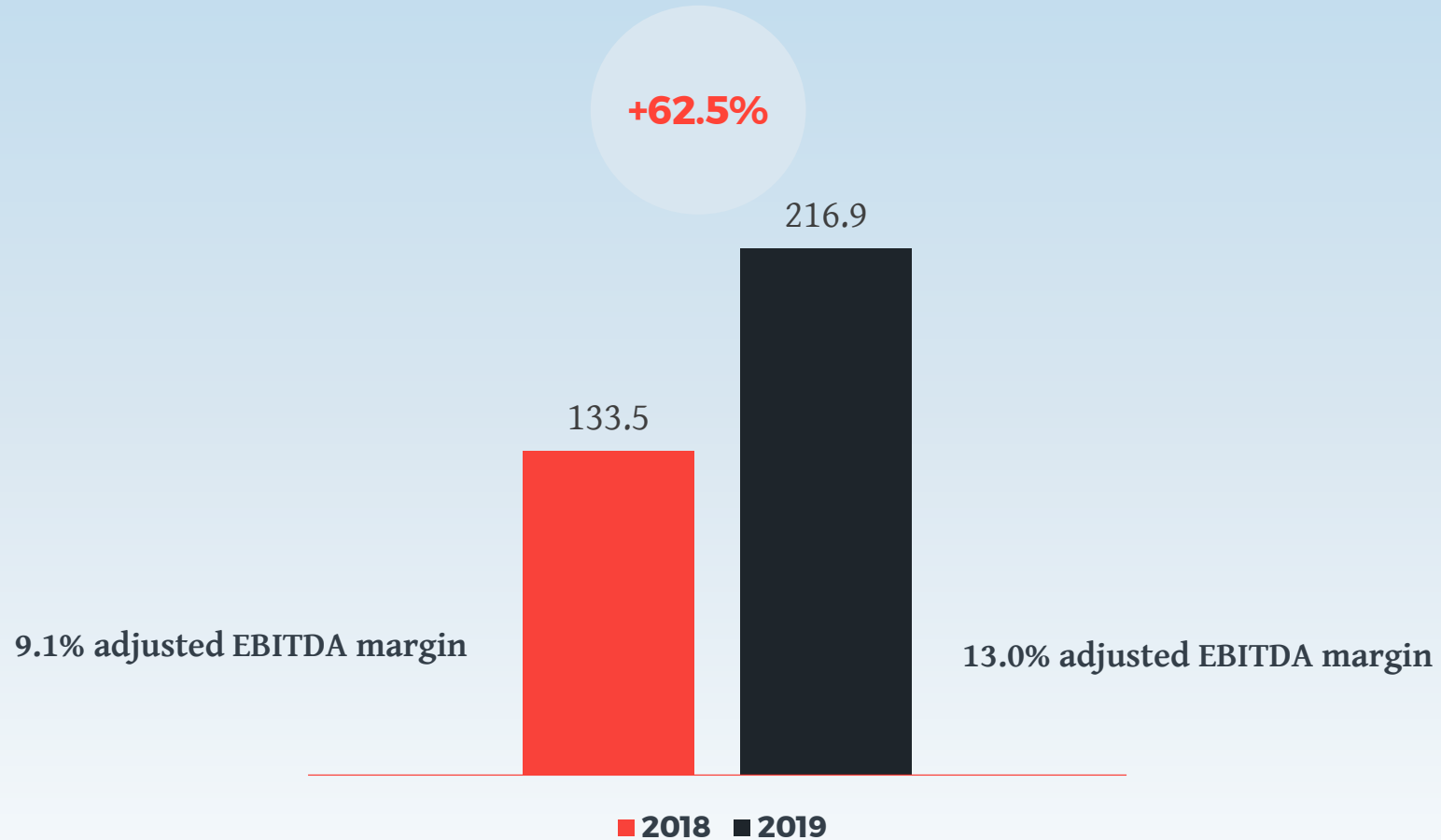


■ 2018 ■ 2019

\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

# Adjusted EBITDA\* and Adjusted EBITDA margin\*

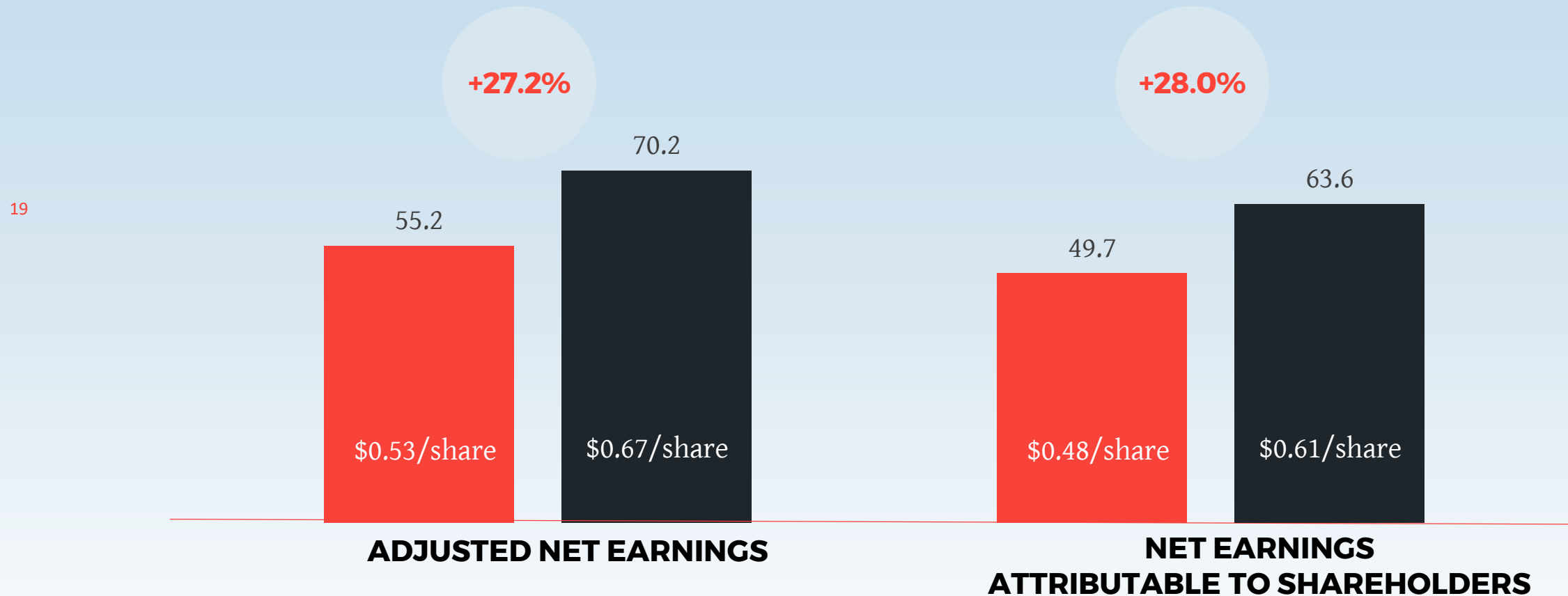
18



\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

# Adjusted Net Earnings\* and Adjusted Net Earnings per Share\*

## Net Earnings Attributable to Shareholders and Net Earnings Attributable to Shareholders per Share



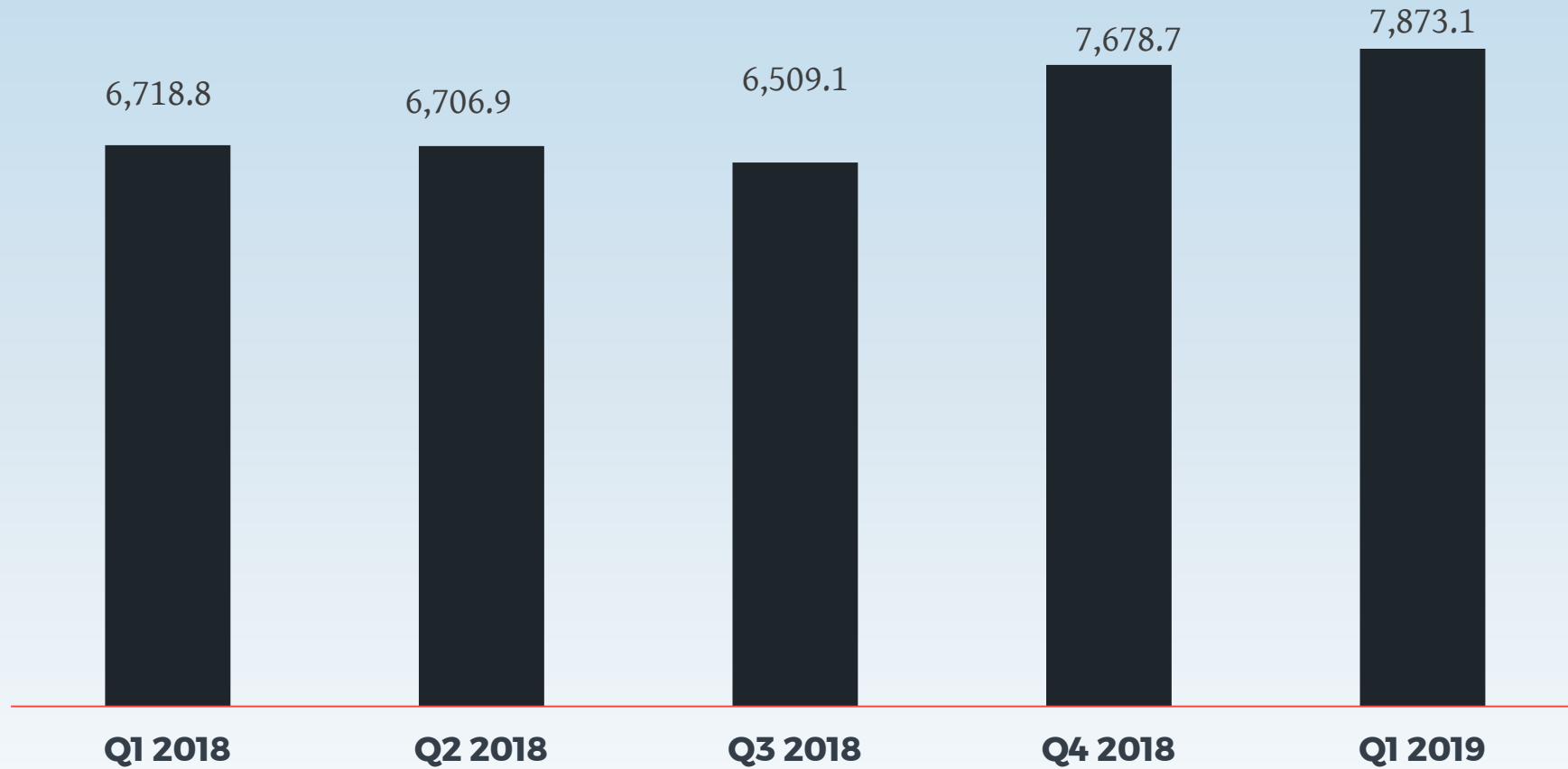
■ 2018 ■ 2019

\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

# Backlog\*

10.7  
months of  
revenue

20

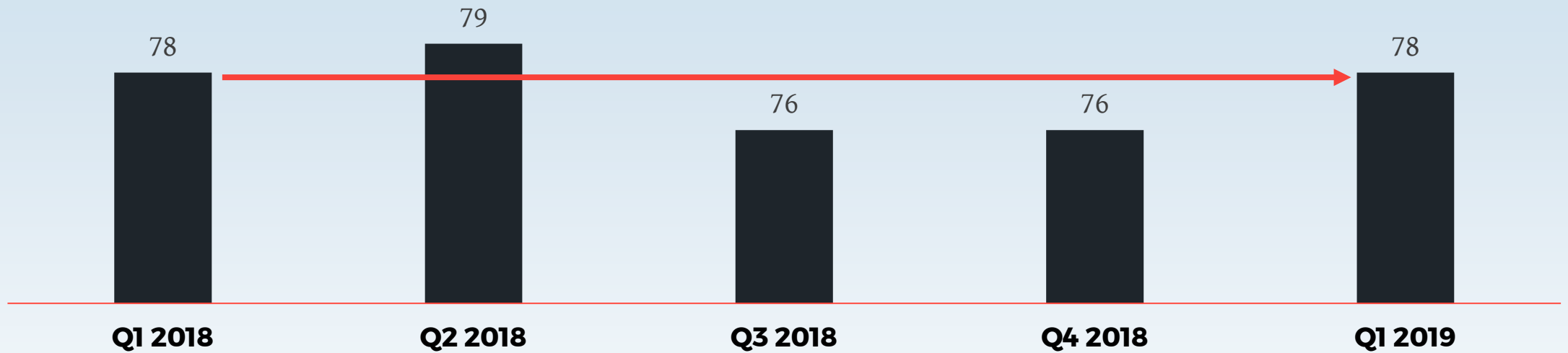


\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)



# Stable DSO\*

21



\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

# Financial position and net debt/TTM adjusted EBITDA\* ratio

(in \$M, CAD)	Q1 2019
Financial liabilities	\$1,552.9
Less: Cash	(\$219.7)
Net debt*	\$1,333.2
TTM adjusted EBITDA*	\$743.4
Net debt / TTM adjusted EBITDA ratio*	1.8x
Net debt / TTM adjusted EBITDA ratio* (adjusted for 12-month net revenues for all acquisitions)	1.7x

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\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

# Updated<sup>1)</sup> 2019 Outlook

	ORIGINAL 2019 TARGET RANGE Excluding IFRS 16 - Leases impact	UPDATED 2019 TARGET RANGE IFRS 16 - Leases impacted
Net revenues <sup>2)</sup>	Between \$6,600M and \$6,900M	Between \$6,600M and \$6,900M
Adjusted EBITDA <sup>2)</sup>	Between \$740M and \$790M	Between \$950M and \$1,000M
Seasonality and adjusted EBITDA <sup>2)</sup> fluctuations	Between 18% and 30%, Q1 being the lowest and Q3 being the highest	Between 20% and 30%, Q1 being the lowest and Q3 being the highest
Effective tax rate	26% to 28%	26% to 28%
DSO <sup>2)</sup>	78 to 83 days	78 to 83 days
Net capital expenditures <sup>3)</sup>	Between \$120M and \$135M	Between \$120M and \$135M
Net debt to adjusted EBITDA ratio <sup>2)</sup>	1.5x to 2.5x <sup>4)</sup>	1.0x to 2.0x <sup>4)</sup>
Acquisition, integration and restructuring costs <sup>2)</sup>	Between \$30M and \$40M	Between \$30M and \$40M

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1) To reflect the impact of IFRS 16 - Leases, as of January 1, 2019

2) Non-IFRS measure. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

3) Capital expenditures pertaining to property, plant and equipment and intangible assets, net of proceeds from disposal

4) Target excluding any debt required to finance potential 2019 acquisitions.

# Updated<sup>1)</sup> 2021 Measures

	ORIGINAL 2021 MEASURES Excluding IFRS 16 - Leases impact	UPDATED 2021 MEASURES IFRS 16 - Leases impacted
Employees	65,000	65,000
Net revenues <sup>2)</sup>	Between \$8,000M and \$9,000M	Between \$8,000M and \$9,000M
Annual net revenue growth (organic and acquisitions)	>10%	>10%
Adjusted EBITDA margin <sup>2)</sup>	Between 11.5% and 12.5%	Between 14.0% and 15.0%
DSO <sup>2)</sup>	<80 days	<80 days
Net debt to adjusted EBITDA ratio <sup>2)</sup>	1.5x to 2.5x <sup>3)</sup>	1.0x to 2.0x <sup>3)</sup>

1) To reflect the impact of IFRS 16 – Leases, as of January 1, 2019

2) Non-IFRS measure. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

3) Target excluding any debt required to finance potential 2019 acquisitions.





# IFRS 16 Impact



# Reconciliation IFRS 16

(in millions of dollars, except percentages)	Q1 2019				
	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	\$244.5	\$539.0	\$612.9	\$267.0	\$1,663.4
Adjusted EBITDA* before Global corporate costs	\$38.0	\$78.6	\$83.2	\$38.1	\$237.9
Adjusted EBITDA margin* before Global corporate costs	15.5%	14.6%	13.6%	14.3%	14.3%
IFRS 16 Adjustment	(\$13.2)	(\$21.2)	(\$18.5)	(\$10.9)	(\$63.8)
Adjusted EBITDA* before Global corporate costs Ex IFRS 16	\$24.8	\$57.4	\$64.7	\$27.2	\$174.1
Adjusted EBITDA margin* before Global corporate costs Ex IFRS 16	10.1%	10.6%	10.6%	10.2%	
Adjusted EBITDA margin* before Global corporate costs Q1 2018	9.7%	11.4%	10.4%	9.4%	
Global Corporate costs					(\$21.0)
Adjusted EBITDA margin*					13.0%
Adjusted EBITDA* Ex IFRS 16 Q1 2019					\$153.1
Adjusted EBITDA margin* Ex IFRS 16 Q1 2019					9.2%
Adjusted EBITDA* Q1 2018					\$133.5
Adjusted EBITDA margin* Q1 2018					9.1%

26



\*Non-IFRS measures. Additional details for these non-IFRS measures can be found in WSP's MD&A, which is posted on WSP's website at [www.wsp.com](http://www.wsp.com), and filed with SEDAR at [www.sedar.com](http://www.sedar.com)

The image features a light blue background with white geometric shapes. On the left, a large white shape resembles a stylized letter 'W' or a series of parallel lines. In the center, the letters 'WSPD' are rendered in a bold, red, sans-serif font. The 'W' is composed of two slanted vertical bars. The 'S' is a thick, curved stroke. The 'P' is a thick vertical bar. The 'D' is a thick curved stroke. The letters are positioned horizontally across the center of the frame.

WSPD