Shaping Perspectives

2018 — Annual Report

What we offer our local and global clients extends beyond our service offering. As a strategic partner, we not only deliver what is asked from us, but we take it one step further by *shaping perspectives* to nurture sustainable societies, connect communities and seize opportunities.

Table of Contents

Helena Dalmo

What We Stand For

Our teams bring global expertise to their local communities, dare to challenge the status quo, collaborate with and learn from others, and are empowered to turn challenges into opportunities.

Our Guiding Principles

We value our people and our reputation

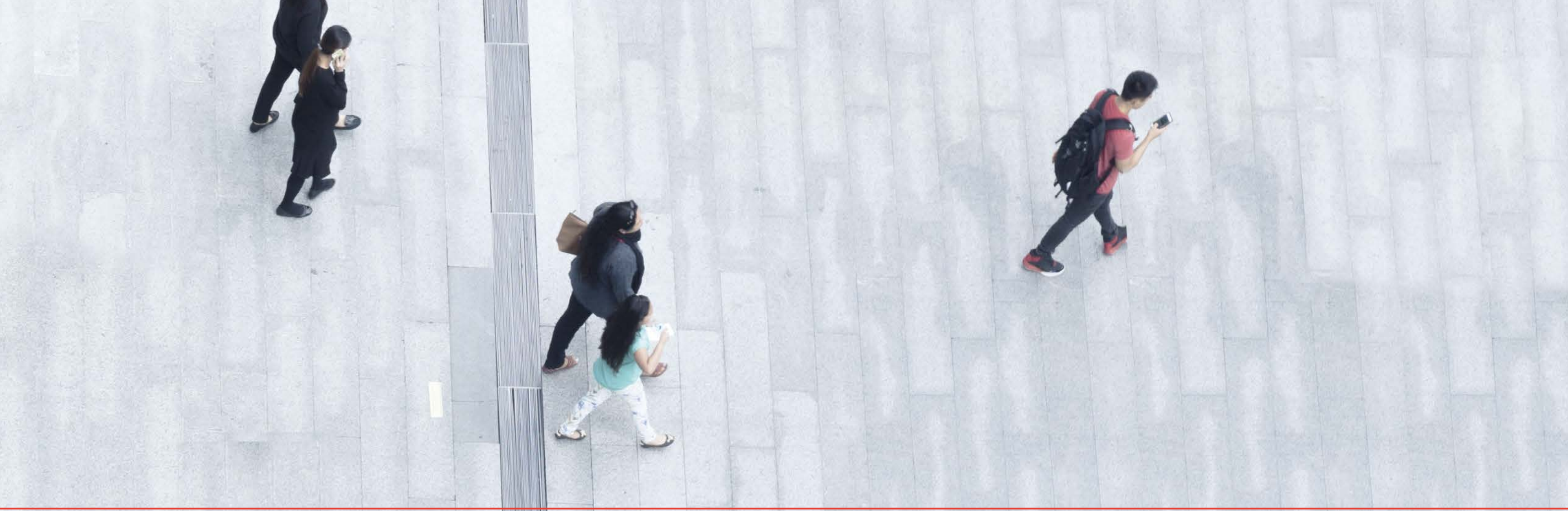
We make extraordinary efforts to attract, develop, engage and retain the best professionals in our fields of expertise because this is what makes us great. We put the highest ethical standards at the centre of all we do. Professionalism is inherent in our offering. We are humble and act with moral and intellectual integrity, keep our word, treat everyone with respect, support our colleagues, and embrace diversity. We care about individuals and their progress and offer the most fulfilling career development for our professionals. We promote our young recruits because we believe fresh perspectives bring great ideas and new energy.

We are locally dedicated with international scale

Our strength is our ability to adapt to our client culture and local markets. We provide our clients with the same personalized services as a specialist firm while at the same time leveraging our worldwide expertise to undertake the most complex projects and assist our clients to realize their ambitions. We achieve this by remaining agile, with a common-sense approach, and by keeping our structure and business model simple and lean. Our focus on growth also allows us to better serve our clients by expanding our offering, expertise and geographical reach.

We are future-focused and challenge the status quo

We anticipate trends in order to propose innovative ideas for our clients to meet their business objectives. We ask questions, look at complex problems from different angles and find solutions that break paradigms. We are problem-solvers who evolve, improve, modernize and excel.



Our belief

For societies to thrive, we believe that we must all hold ourselves accountable for tomorrow.

Our purpose

We exist to future proof our cities and environments.

Our role

We plan, design, manage and engineer our communities to thrive.

We know our solutions will shape the communities of tomorrow and help societies thrive sustainably. We embrace change and have an uncompromising determination to achieve excellence.

We foster collaboration in everything we do

Our international agility is founded on our collaborative working environment. Our devotion to teamwork creates unique international networks of outstanding professionals who understand that great achievements come from collaboration. We embrace and support a high-performing culture, always strive to learn from others, and foster a stimulating work environment. We put the interest of our team ahead of our own and joining us is the best way to fully understand the collegiality that defines our firm.

We have an empowering culture and hold ourselves accountable

We are empowered to turn challenges into opportunities while being held accountable to standards beyond the norm. Our proactive leadership empowers us to be client-focused, agile and responsive, while at the same time being accountable to our clients, our peers and our shareholders. The profitability of our firm is essential to our future and this is why we manage our business responsibly as if it were our own.

Financial Highlights

The financial results we achieved in fiscal 2018 across our sectors and geographies are testament to the commitment our professionals have made to succeed.

7.9B

Revenues (CAD)

6.0B

Net Revenues (CAD)*

3.5%

Organic Growth in Net Revenues

660.0M

Adjusted EBITDA (CAD)*

11.0%

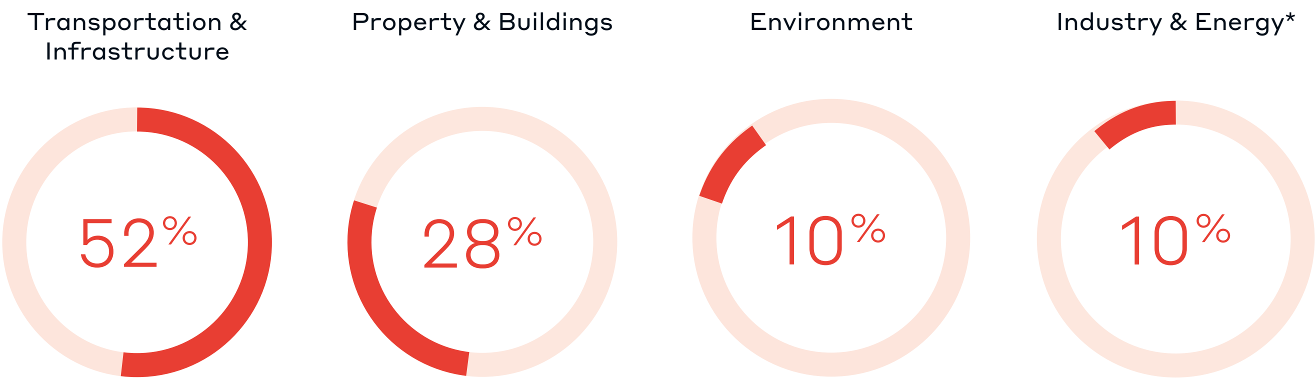
Adjusted EBITDA Margin*

76 days

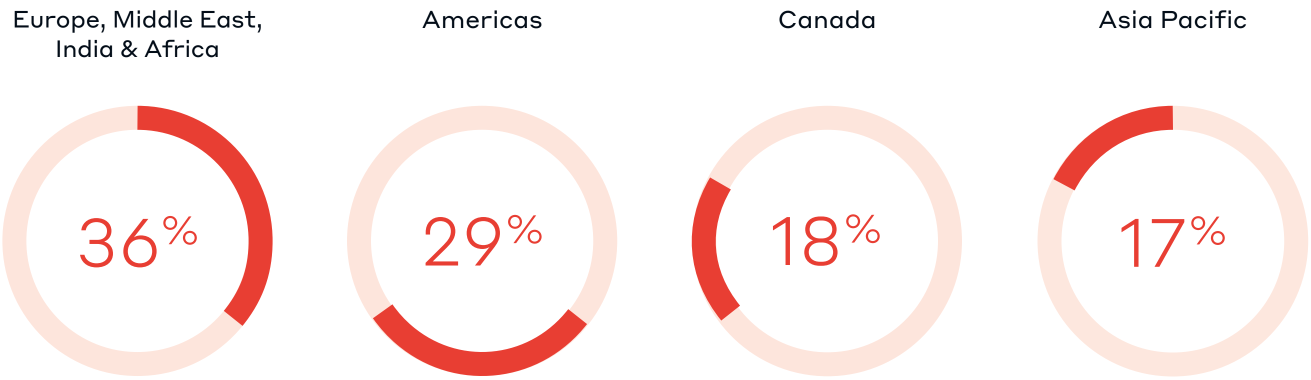
Days Sales Outstanding (DSO)*

*Non-IFRS measures

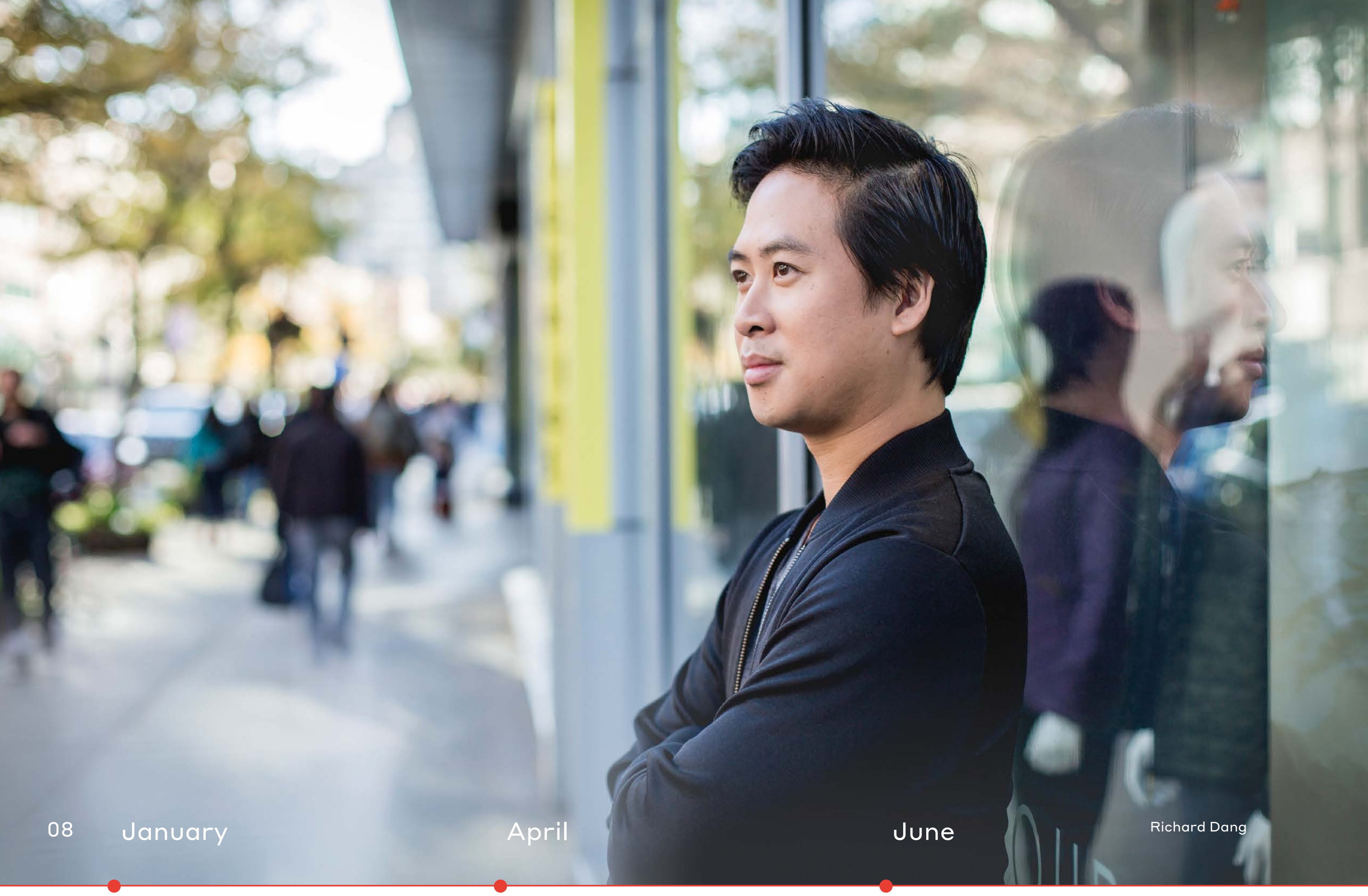
Net revenues by market sector



Net revenues by reportable segment



*Includes Industry, Resources, Power & Energy



Richard Dang

January

World Architecture 100 (WA 100) Ranking

WSP is joint 1st in the Service Engineer category and joint 2nd in Structural Engineering, presented in *Building Design* magazine.

April

Future Ready Launch in Canada

The launch empowers us to see the future more clearly and design for it today in our Canadian market.

June

Best 50 Corporate Citizens in Canada

WSP is #7, according to the business and society magazine *Corporate Knights*.

March

UnionConsult Acquisition

UnionConsult expands our presence in Norway while increasing our expertise in our Property & Buildings sector.

May

WSP Senior Leadership Academy

First cohort of the WSP Senior Leadership Academy starts the six-month program, which is designed to increase strategic leadership skills.

July

#1 International Design Firm in Transportation in ENR

WSP is 1st in transportation among the “Top 225 International Design Firms” in *Engineering News-Record*.

A Year in Review

In the last year of our 2015-2018 Global Strategic Plan, we are proud to have welcomed four new firms; ranked favourably in our industry; and advanced several of our leading initiatives.

August

Future Ready Launch in Australia and New Zealand

WSP launches our program to help our clients prepare for the future in Australia and New Zealand.

October

Kontigo Acquisition

Kontigo strengthens our advisory services offering and expands our social sustainability practice in Sweden.

December

Board of Directors Appointment

Linda Galipeau's appointment as a Director and as Chair of the Governance, Ethics and Compensation Committee is announced.

September

Global Cities Index Launch

The WSP Global Cities Index provides insights on how cities are preparing for a future shaped by the major trends of our day.

December

Irwinconsult Acquisition

Irwinconsult bolsters WSP's presence in Australia by increasing its expertise in Property & Buildings.

December

Louis Berger Acquisition

Reinforces our position in sectors including Transportation & Infrastructure and in markets such as the US; enables Spanish market entry.

Chairman's Message

Looking back at WSP's 2018 accomplishments, I am proud to be Chairman of this agile and successful global organization. This level of success can only be reached through the diligence and passion of our leaders and employees in all their professional work.

WSP's 2018 Highlights

With net revenues of $6 billion, an adjusted EBITDA margin of 11% and organic growth in net revenues of 3.5%, our 2018 global financial performance symbolizes both the stability and the growth of WSP.

The end of the year marked the close of our 2015-2018 Global Strategic Plan cycle. We believe the plan was ambitious and are proud that the majority of our key objectives were met. We now have a strong platform to achieve the objectives of our 2019-2021 Global Strategic Plan, announced last January.

We are pleased that Louis Berger, Irwinconsult, UnionConsult and Kontigo joined WSP in 2018. As our largest acquisition since 2015, Louis Berger adds capacity in several sectors and expands our expertise mainly in the United States, but also in other regions such as Canada, Europe, the Middle East and Latin America.

At the beginning of 2019, with approximately 48,000 employees worldwide, WSP sets out on its next strategic cycle with the ambition to become the premier professional consultant in its industry by 2021, serving the built and natural environment.

Our position is reinforced by professional reviews, including recently in Canada where we were named as an industry leader in environmental, social and governance matters by an independent investor research report, and accordingly we are pleased that non-financial measures are considered in our overall performance evaluation by third-party firms.

Christopher Cole
Chairman of the Board

“We are pleased that our business is performing well, and attribute that strength to the resilience we have built as a diversified, international consultancy providing a full range of services to our clients.”

A Strong, Diverse Board

We have seen evolution in our Board membership in 2018 and at the beginning of 2019. I would like to thank Pierre Fitzgibbon and Josée Perreault for their service to WSP, and I am also pleased to welcome Linda Galipeau as a new Board member.

Linda brings her international strengths to WSP as a Director and as Chair of our Governance, Ethics and Compensation Committee. Given the depth of her human resources and professional services experience, we are confident she will bring new ways of thinking to invigorate and strengthen the People & Culture pillar of our 2019-2021 Global Strategic Plan.

Our Board strives to achieve industry-leading levels of diversity; for example, I am pleased that we currently have three women among our seven Board members.

Confidence in Our Leadership

The Board is delighted with the 2018 performance of our executives, management and employees, and I take this opportunity to thank everyone for their dedication and hard work.

During the first quarter of 2019, four people joined WSP’s Global Leadership Team: Ryan Brain, President and Chief Executive Officer of WSP in Canada; Ivy Kong, Managing Director of WSP in Asia; André-Martin Bouchard, Global Director, Environment and Resources; and Alain Michaud, Senior Vice President, Operational Performance and Strategic Initiatives.

The latter two appointments are in line with our 2019-2021 Global Strategic Plan ambitions and our commitment to build and broaden our environmental activities and improve our operational performance.

Welcoming Stakeholder Contributions

Through 2018, WSP's leaders looked ahead to position WSP for the next strategic cycle. Decisions were informed by extensive engagement of our investors, clients and employees; this dialogue and the messages received have helped guide our new 2019-2021 Global Strategic Plan. I refer readers to the presentation of the Plan in this report.

Governance of a Complex Organization

In an organization with the size, geography and nature of activities of WSP, the Board is always mindful of our identified business risks. In addition to our industry operational and execution risks, we have oversight of WSP's global Health & Safety and Compliance & Ethics programs, which we take very seriously.

We support a positive culture that gives Health & Safety, as well as high ethical standards, equal importance to other operational items. This empowers our employees to minimize Health & Safety risks and go home safely at the end of each day. Moreover, our culture of integrity provides our employees with the right leadership, tools and support to integrate high ethical standards at the centre of all that we do.

Both topics are regularly discussed at our Board meetings and supported by our annual Risk Management Review.

"WSP sets out on its next strategic cycle with the ambition to become the premier professional consultant in its industry by 2021."

Positioned for Success in 2019

Whilst we recognize varied and challenging conditions in some world markets, we are pleased that our business is performing well, and attribute that strength to the resilience we have built as a diversified, international consultancy providing a full range of services to our clients.

We would like to thank our shareholders; we recognize that their vital support is the solid base from which WSP can grow.

We look forward to working with and guiding WSP's trusted leaders to make a dynamic start to our new strategic plan cycle in 2019.

Christopher Cole
Chairman of the Board

An Interview with our CEO

Following another successful fiscal year, Alexandre L'Heureux provides insights on WSP's performance, people, culture, clients and the Company's ambitious vision for the future.

Drivers of Success

What has contributed most to WSP's past and present success?

First, our success can be attributed to the technical expertise and commercial ability of our professionals, forged by their profound understanding of the local markets in which they operate. Through their relentless drive to shape the world of tomorrow, our people keep their expertise relevant by challenging the status quo. Therefore, we make great efforts to attract, develop, engage and retain the best professionals in our fields of expertise from around the world.

Second, the clarity of our strategy guides us successfully. It is critical to establish ambitions our people can comprehend, embrace and identify with, to allow them to realize their potential and deliver on our objectives.

Third, our regionally-focused operating model promotes an agile, high-performance culture that empowers our people to be attentive to clients and succeed in our local markets. In other words, by keeping our structure and business model simple and lean, our people can manage their projects and client relationships in accordance with local realities, leading to the realization of our strategic ambitions and strong results across our geographies.

Finally, our devotion to teamwork creates centres of excellence, enabling us to seize opportunities for our clients as a result of our capacity to cross-sell our local and international expertise; this translates into improved project delivery and higher margins.

Alexandre L'Heureux
President and Chief Executive Officer

Financial Performance

What drives WSP's strong financial performance?

It all starts with a purpose. We exist to future proof our cities and environment. To fulfill this purpose, our role is to plan, design, manage and engineer our communities to thrive. Taken together, this results in providing forward-thinking advice and unparalleled expertise to help our clients succeed in a changing world. Furthermore, we pride ourselves on remaining profit-oriented. A well-run business, generating industry-leading margins, will enable increased investment in our foundational pillars — Clients, People & Culture, Operational Excellence and Expertise. We believe this will benefit all our stakeholders.

What are WSP's financial highlights from 2018?

We are pleased with our strong 2018 financial results. Highlights include net revenues of $6 billion, an increase of 12.4 % compared to 2017. In line with our expectations and 2018 outlook, consolidated organic growth in net revenues stood at 3.5%, spanning across all reportable segments. We reported an adjusted EBITDA margin of 11%, compared to 10.4% in 2017.

In terms of other metrics, we were pleased to report days sales outstanding (DSO) of 76 days, a three-day improvement compared to 2017. Driven by our continued focus on collection efforts and improved capex management, we reported full-year free cash flow generation of $547.4 million, which represents 220.6% of net earnings attributable to shareholders.

With these results, we met or exceeded the key objectives of our 2015-2018 Global Strategic Plan, providing a strong basis for success during our 2019-2021 strategic cycle.

Growth Strategy

What are the main factors underpinning WSP's growth?

Growth has always been part of WSP's identity, whether this has been achieved organically or through acquisitions.

Our people are strong drivers of organic growth. Through global mobility and the strengthening of our global Practice Area Networks (PANs), collaboration increases our capacity to cross-sell our expertise, and improves margins and operational performance.

Our Global Project Management Academy is another example of supporting organic growth, by providing training on the practices that enhance project delivery. Initiatives promoting operational excellence also enhance our potential for organic growth; two examples are our business support systems, and the digitalization of our design services.

On the acquisitions front, we take a disciplined approach and favour acquisition opportunities according to criteria that correspond to our business needs and market conditions. Integration of new organizations is facilitated by selecting partners that have a similar business model and complementary service offering, and are aligned to our culture, Guiding Principles and overall mindset. During this past year, we were pleased to welcome Louis Berger, Irwinconsult, UnionConsult and Kontigo to WSP, adding over 5,500 employees to our workforce.

For our 2019-2021 Global Strategic Plan, we will continue to support growth strategies that are relevant to our clients, people and shareholders.

Why are acquisitions such an important part?

In comparison to other professional services industries, ours is still highly fragmented. We pursue acquisitions to complement our expertise across geographies, sectors and services; not acquiring simply to become a larger firm, but rather to be able to offer more to our clients, as their strategic partner.

Even though the current M&A landscape is challenging due to higher deal valuations, we remain primed to act on opportunities that lie ahead to join with firms that are aligned to our strategic ambitions, for the right price.

Can WSP continue to grow in the event of a downturn?

A downturn stemming from geopolitical, economic or market factors would undoubtedly be challenging, but would not necessarily affect our ability to grow, or taper our appetite for acquisitions, as our market diversification, balance sheet and access to capital are supporting factors.

In addition, to bolster an ailing economy, governments may opt to inject stimulus funding into investments supporting sectors in which we operate; opportunities we would pursue if aligned with our strategy.

Should a downturn occur in our next strategic cycle, we will have the possibility to further differentiate our offering by seeking out acquisition prospects at more attractive prices, thereby creating long-term shareholder value. Lastly, we have two anchor investors with a long-term view on their investments in our Company.

"Growth has always been part of WSP's identity, whether this has been achieved organically or through our acquisitions."

People & Culture

In today's global world, what do you think keeps employees motivated?

Firstly, it's about leadership. Professionals aspire to work for a firm that leads with purpose, where they have the opportunity to learn from the best mentors.

Our 48,000 employees are also driven by projects of varying sizes and complexities from all corners of the world. They are unified under one brand and one name, all working towards the same purpose, which is anchored by our five Guiding Principles. The result: a diverse and inclusive culture where great learning and achievement come from collaboration, empowerment, and accountability towards each other, our clients, communities, and shareholders.

Through our various initiatives aimed at new recruits to seasoned leaders (including our Early Career Professionals, Leadership Forum and Senior Leadership Academy), we constantly strive to provide a stimulating, ethical and safe work environment where our people can flourish personally and professionally, regardless of their position, background or gender.

Clients

Has WSP's relationship with clients changed as the industry has evolved?

Market leadership can only be achieved through our ability to adapt to our clients' needs, innovate and remain agile in tomorrow's world. The client relationship on which WSP built its success and reputation is evolving. Projects are increasingly complex due to the dynamic nature of the trends transforming our world and the importance of social acceptability. To bring tangible value to our public and private sector clients, we are continuing to build our service offering to transform clients' visions into realities that are sustainable in every sense, while also creating long-lasting value for our communities.

This evolving relationship is exemplified by our Future Ready program, demonstrating our commitment to finding sustainable solutions to the challenges the future will bring. Our research and analysis on key trends in climate change, society, technology and resources help us to see the future more clearly and challenge our teams to advise our clients on solutions that are both ready for today and the years to come.

How do you adapt your client care to the type of client or size of project?

No matter which client, or the size of the project, each of our mandates is important to us. Approximately 56% of our revenues are derived from public sector clients, and 44% from private sector clients. We have more than 100,000 active projects at any given time around the world. Large projects, which we categorize as projects generating more than $1 million in fees, increased by 5% from 2015 to 2018 and now represent approximately 53% of our revenues.

Whether the project is big or small, we take great pride in delivering the best service and value in accordance with our clients' needs and expectations.

"By the end of 2021, we aspire to set the standard of client experience in our industry, by placing our clients at the centre of everything we do."

How do you ensure that your employees are working in a safe environment?

We continue to embrace Health & Safety as a good business practice, which has equal standing to our commercial and operational activities. As our most valued asset, all employees are encouraged to "make safety personal" by contributing to removing the risks associated with our activities.

Reporting through our integrated Safety Management System (iSMS) increased in 2018, enabling us to ensure that our working environment is as safe as possible. We also extended our Health & Safety arrangements to the businesses we acquired during the year, most recently Louis Berger. I am also pleased that in 2018, Total Injuries and Lost Time Injuries were down when compared to 2017. For 2019 onwards, we will continue to focus our efforts on reducing and removing the risks associated with all our activities.

Our reputation is important in every project, and we thrive on building the relationships necessary to be awarded further projects with the same clients. Finally, we always bear in mind that a small-scale assignment can also lead us on the path to a larger one.

Outlook and Strategy

What's next for WSP?

With the completion of our 2015-2018 Global Strategic Plan, we are a leading pure-play professional services firm in our industry. We have a strong presence in OECD countries (approximately 88% of our net revenues at the end of 2018) as well as in selected emerging economies (12%). We are market leaders in Transportation & Infrastructure and Property & Buildings, representing approximately 80% of our net revenues, with emerging platforms in Environment, Water, Power & Energy, Resources and Industry. Our elite expertise in Engineering & Design is at the core of our activities, accounting for two-thirds of our net revenues, supported by our Strategic Advisory Services.

At the onset of 2019, we presented our 2019-2021 Global Strategic Plan, which outlines how we will be "expanding our horizons" to build the premier professional consultancy in our industry by the end of this strategic cycle. To attain this objective, we will continue to evolve our foundational pillars to bring the best of WSP to our clients.

What does being the premier consultancy in the industry mean for WSP?

For WSP, becoming the premier professional consultancy in our industry means that we have become the partner of choice for our clients. We are able to attract the right people and develop and lead them with passion, while creating long-lasting value for our communities and shareholders.

By the end of 2021, we aspire to set the standard of client experience in our industry, by placing clients at the centre of everything we do. For this to be possible, we must continually focus on providing our people with an environment in which they can succeed. This requires strengthening our organization in ways that are not only beneficial to them, but for our clients and shareholders as well. Becoming the premier professional consultancy also entails driving our core expertise in Engineering & Design towards smart diversification to maintain our recognition as elite experts, while offering increased Strategic Advisory Services to get closer to our clients, further enhancing our reputation as a diversified and resilient consultancy.

Shaping Perspectives

I would like to thank our clients, shareholders and Board of Directors for putting their trust in us and for their continued support. To our 48,000 employees around the world, thank you for your unwavering dedication and commitment to our organization and the work you do for the betterment of our communities. I look forward to continuing this journey together and the opportunities that lie ahead.

I firmly believe in our industry, our firm's growth potential, and the role WSP will play in shaping perspectives of the world of tomorrow.

Alexandre L'Heureux
President and Chief Executive Officer

2015-2018 Objectives	2018	
Employees 45,000	±48,000	✓ (Objective exceeded)
Net Revenues (CAD)* 6.0B	6.0B	✓ (Objective attained)
Adjusted EBITDA Margin* 11.0%	11.0%	✓ (Objective attained)
Cash Flow/Net Income* 100%	220.6%	✓ (Objective exceeded)
Days Sales Outstanding (DSO)* <85 days	76 days	✓ (Objective exceeded)

*Non-IFRS measures

Objective exceeded

Objective attained

With a focus on strengthening our technical capabilities, our quality offering, as well as our ability to seize opportunities, our 2015-2018 Global Strategic Plan generated considerable growth while staying true to our pure-play consultancy business model. During this cycle, the emphasis wasn't about getting bigger, but rather about getting better and becoming recognized leaders in our sectors and in the countries where we operate.

Setting the Stage for Strength and Agility

In 2015, we mapped out our three-year global strategy that was built upon our four foundational pillars, namely our Clients, People & Culture, Operational Excellence and Expertise.

It was about building the momentum necessary to take on the future with unparalleled strength and agility.

With the ambitions of our 2015-2018 Global Strategic Plan successfully realized, we have a proven operating model with an agile, high-performing culture that delivers solid results throughout our geographies. We can tackle projects of any size, anywhere. Distinguished by our bold brand, our engaged talent and leadership are more diverse in expertise and background than ever before. Building on what enabled us to position our firm as a leading pure-play professional services firm, we are entering the next strategic cycle on solid footing and are enthusiastic about our future.

Strategic Cycle Highlights

— 29 companies were acquired, adding over 16,000 people to our workforce.

— Projects generating more than $1 million in fees (large projects) increased by 5% from 2015 to 2018.

— Our client mix shifted from a split* of 66% private clients and 34% public clients to 56% public clients and 44% private clients.

— Approximately 88% of our net revenues come from OECD countries.

— Our two largest sectors, Transportation & Infrastructure and Property & Buildings, account for approximately 80% of our net revenues.

— Our Engineering & Design services in our two largest sectors account for 2/3 of our net revenues.

*Based on revenues

Expanding our Horizons

Our 2019-2021 Global Strategic Plan outlines how we will be expanding our horizons to build the premier professional consultancy in our industry by the end of the strategic cycle.

Our pillars

To attain our 2019-2021 Strategic Plan objectives, we will continue to evolve our foundational pillars. Over the next strategic cycle, bringing the "best of WSP" to our clients will be at the centre of everything we do. It is for this reason that our Clients pillar is at the heart of our strategy.

Clients

The client relationship on which WSP built its reputation is evolving. To continue to bring tangible value to our public and private sector clients, we are building our service offering on our ability to understand and adapt to changing needs while creating long-lasting value for our communities. Over this strategic cycle, we will nurture our client relationships, to epitomize the gold standard of client experience in our industry.

People & Culture

WSP's reputation is founded on the work of our people and their devotion to our clients and communities. Our long-term goal remains "to be recognized as the best and most rewarding professional consultancy for which to work;" to achieve this, we must provide our people with an environment to deliver to their full potential. In pursuit of our goal, we will continue to make extraordinary efforts to attract, lead, develop and retain the best professionals.

Operational Excellence

Operational excellence is about creating value for our stakeholders by strengthening our organization and assessing how we can constantly improve operations, while remaining accountable. In this way, we aim to operate effectively in order to achieve the highest standards of client service and project delivery. A well-run, profitable business that generates industry-leading margins will enable increased investment in our other pillars.

Expertise

At the end of this strategic cycle, we aspire to be the premier professional consultancy in our industry, consistently bringing value to our clients as their strategic partner. This value can result from many advantages, including our geographic presence, market leadership, global mobility and diversity of expertise. The end result: we are able to meet the most complex needs of our clients - no matter when or where they arise.

A Selection of Key Targets We Aim to Achieve by 2021

Clients

Setting the standard in client experience

- Top quartile satisfaction rating by over 75% of our clients (Net Promoter Score Survey).
- Over 10% growth in net revenues, balanced between organic growth and acquisitions.
- Over 10% growth in net revenues from our portfolio of global clients.

People & Culture

Providing an environment for our people to deliver on their full potential

- Over 75% of Global Leadership positions (and those of their direct reports) will be filled by internal candidates.
- The rate of voluntary turnover will not exceed 12% globally.
- Over 30% of management positions* will be held by women.

*Includes business leaders and middle management.

Operational Excellence

Strengthening our organization to create value for our key stakeholders

— 25% reduction in absolute, market-based GHG emissions across our global operations from 2018 to 2030, with an interim reduction target of 5% by 2021.

— On our journey to Zero Harm, all regions to achieve a lost time injury rate (LTIR) of <0.1 per 100,000 hours worked.*

— 100% of our workforce will have completed ethics onboarding and annual refresher training.

* Lost time injury rate (LTIR) is the number of injuries with more than one day lost, per 100,000 hours worked.

Expertise

Improving sector and service balance, while continuing to strengthen our geographic presence

— We plan to drive smart diversification to shift:

- Transportation & Infrastructure and Property & Buildings to a range of 50-70% of our net revenues, with the balance signifying an increase in our Environment, Water, Power & Energy, Resources and Industry sectors.
- Engineering & Design services to a range of 45-60% of our net revenues, with the balance signifying an increase in our Strategic Advisory Services.

— Our net revenues generated in OECD countries should continue to fall into a range of 85-95%, realizing our full potential in regions where we have a significant leadership position, and driving opportunities in geographies where continued growth exists.

Our Expertise is Future Ready

WSP's main contribution to a sustainable economy is through the services we offer and the projects we deliver.

With our global Future Ready program, we aim to see the future more clearly and consider this future, as well as today's needs, in our designs and our advice.

Future Ready is now launched in several of our large markets and forms an essential element running through our 2019-2021 Global Strategic Plan. It sets WSP apart in our industry, gives strong purpose for our people, and puts our business at the heart of creating a prosperous and resilient economy.

In 2019, we plan to further embed Future Ready across our business with a series of learning, development, research and innovation programs.

Financial Ambitions

8.0B to 9.0B

Net Revenues (CAD)*

>10%

Annual Net Revenues Growth (Organic and Acquisitions)

11.5% to 12.5%**

Adjusted EBITDA Margin*

<80 days

Days Sales Outstanding (DSO)*

1.5x to 2.5x

Net Debt/Adjusted EBITDA*

65,000

Employees

*Non-IFRS measures   **Pre-IFRS 16 - Leases

Strategic Ambitions

Establishing an industry benchmark for our performance under the four pillars

Enhancing our reputation as a diversified and resilient consultancy

Maintaining our recognition as elite experts in Engineering & Design

Offering increased Strategic Advisory Services to get closer to clients

WSP: The premier professional consultancy in our industry, setting the standard in client experience

By 2021, we aspire to increase our workforce by 35% and our adjusted EBITDA by 50%*.

Our Expertise is Digital

Significant advancement through digital technologies offers a unique opportunity to improve the way we live, interact, plan and commute, while shedding new light on how asset owners need to adapt and embrace these changes.

Powered by digital technologies and fuelled by information insights, our solutions provide an enhanced experience for the people using these assets while increasing value. Additionally, our solutions contribute greatly to creating a more sustainable and connected world through the increased life-cycle efficiency of these assets, further supporting our Future Ready vision of the world.

Digital services are embedded in all the assets we design.

*Pre-IFRS 16 - Leases

Enduring Projects Born of Complexity

In presenting a selection of our projects across geographies, we aim to demonstrate the strength of our client relationships and our local knowledge, which is supported by our global expertise. In 2018, we marked the end of several long-term assignments with exceptional results, as well as opened a new chapter on different challenges. Supported by our client-focus and innovations, we believe that our solutions will shape cities and communities, helping societies thrive sustainably for generations to come.

Optimizing Space for Marlow Foods' Manufacturing Processes

Marlow Foods’ Belasis Site

County Durham, United Kingdom

We have switched the process of manufacturing Quorn from the horizontal to the vertical to future proof Marlow Foods’ new Belasis site in County Durham.

“It’s been a pleasure for me to work with Marlow Foods again on this latest phase of work – the third we’ve worked on together. Twelve years ago, I was the project manager on our first project with the client and we’ve kept in touch ever since.

“It's also been great to be involved with this project and collaborate with WSP colleagues and the subcontractors, who are all working together to help realize Marlow Foods’ vision. We have not only increased the production of Quorn to meet growing demand, but have also made this possible at one facility, bringing together all the stages of production that have, until now, been at geographically separate sites.”

— **Brian Parker**
Senior Project Manager

The design for the full-scale plan was modelled in 3D so the client could walk around it virtually. This helped the team to find the ideal layout for the pipework and to balance efficient use of the site with ease of access for operations and maintenance.

Excellent Safety Record

With around 150 people constructing a large, complex building consisting of lots of different sections, the atmosphere of collaboration was very positive. As a result, everyone was clear about what was expected, and everyone stayed safe.

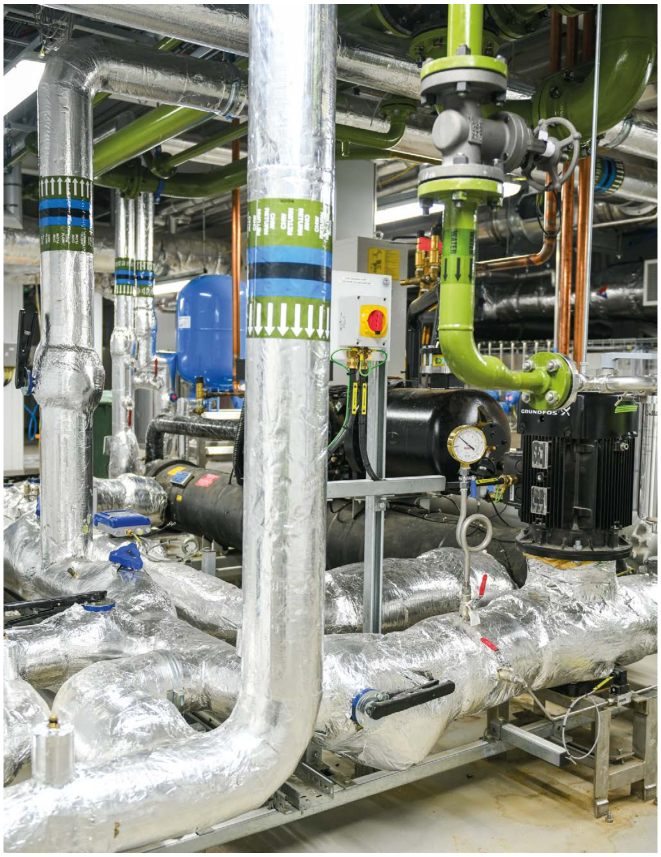
Collaborative Improvements

All manufacturing equipment in the process has to be carefully cleaned, and because the Quorn production process is unique, standard cleaning regimes are not always suitable. With input from Marlow Foods' staff, we were able to automate some processes and configure the layout to make cleaning easier, safer and more efficient.

We have saved space at the Marlow Foods' site so that new facilities can be added later for extra production of the sustainable, low-fat protein Quorn. At the same time, we have designed and built – in collaboration with other specialists – a high-specification water treatment plant to remove waste and chemicals, including phosphorous and nitrogen, produced in the fermentation process.

The new production facility will enable Marlow Foods to increase the supply of Quorn across the UK, Europe and North America to meet demand.

The new three-storey factory at the County Durham site is a departure from the usual single-storey, linear production process. Bespoke equipment had been sourced from different suppliers and had to be integrated into a successful end-to-end process.



Our engineers accompanied the client on visits to suppliers to see how different items would affect the building services. This was time well spent, as it helped streamline the design process, ensuring each piece of equipment was factored in individually along with its electricity and water supply requirements.

Cooperation between our team, client, engineers, contractors, suppliers and scientists was a constant positive. Marlow Foods' personnel shared their knowledge of the production process, which made it easier for us to cater for the specialist equipment and staff at the facility. Together, we could make sure that the layout and design would help them do their jobs more efficiently.

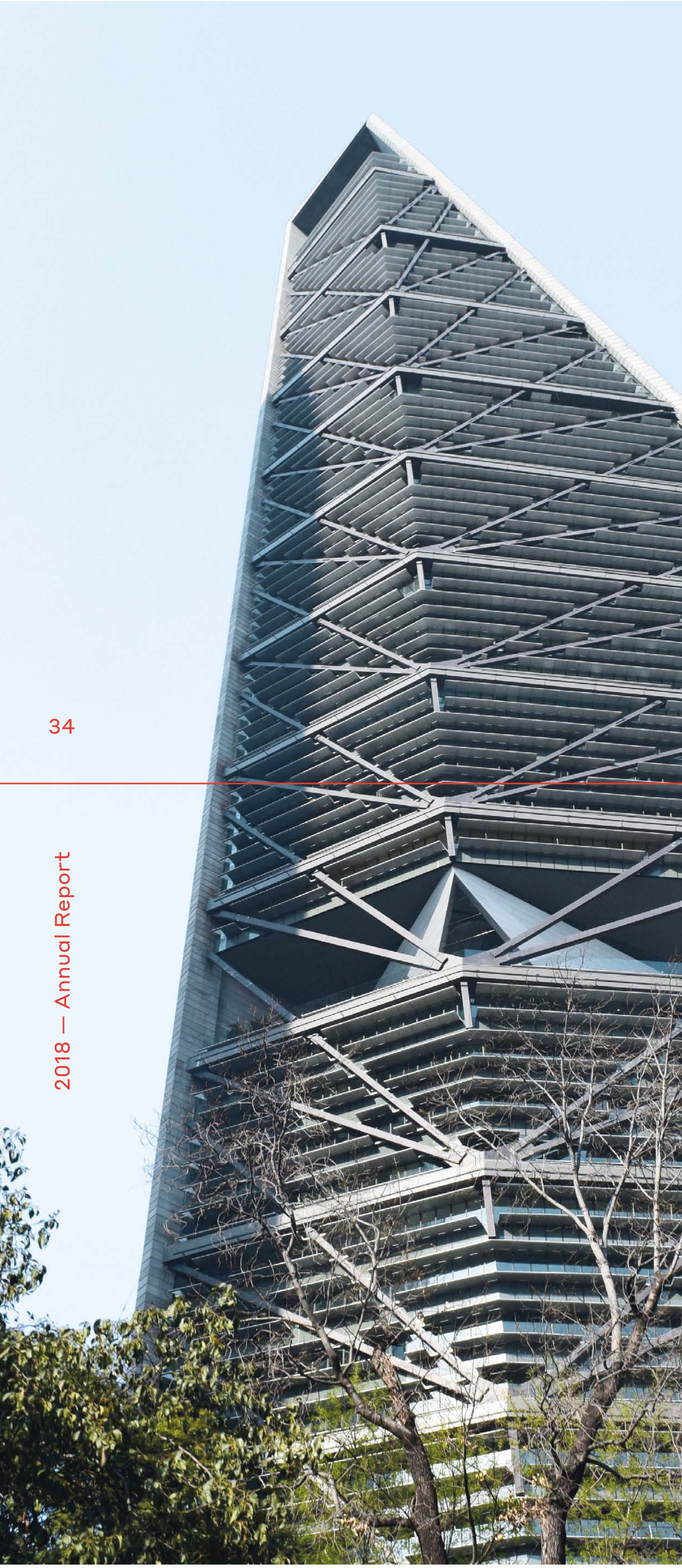
The building was completed on time, and production began in 2018.

50

50 cubic metres per hour of effluent treated to exceed environmental standards

150

150 people on the site from many different suppliers, performing complex tasks



Reforma Tower

Mexico City, Mexico

At 246 metres high, the Reforma Tower is currently the tallest building in Mexico and boasts many exceptional features such as superior air quality, natural lighting and a view towards Chapultepec Park and Castle. WSP carried out the earthquake-resistant structural design; structural adaptation for local code requirements and practices; development of construction documents; design of temporary support elements; and site supervision for its client Fondo Hexa. In sustainability terms, the Platinum LEED certification for this office building speaks to the efforts made in its design.

Winner of the International High-Rise Award 2018

100%

100% of wastewater treated on site

25%

25% reduction in energy use

Image courtesy of Odense Letbane P/S

Odense Light Rail

Odense, Denmark

As advisor and long-term delivery partner for its client Odense Letbane P/S, WSP is providing a wide range of services on the tramway, including project management, design assurance and construction supervision. Knowledge continuity has been conserved in WSP's team from design into the manufacturing and construction phase, enabling us to assist the client in reaching all major milestones to date. The integrated team is able to draw upon WSP's global expertise, which is a great advantage in our service offering.

La Quinua Effluent Water Treatment Plant Upgrade

Cajamarca, Peru

Owing to issues in plant capacity, an upgrade was required for La Quinua Effluent Water Treatment Plant. WSP was engaged to provide a range of services including structural, civil, mechanical, process, piping, electricity and instrumentation, for our client Minera Yanacocha S.R.L., a Newmont company. Our colleagues in Chile supported us with quality assurance services. This was the first project delivered by our mining engineering team in this important sector in Peru, and we were proud to deliver a successful upgrade in a timely manner.

"Finding solutions to complex technical challenges allowed us to increase the capacity of the plant as required by our client."

— **Alindor Galarreta Díaz**
Engineering Manager

Image courtesy of Grocon Pty Ltd

Creating a Vibrant and Sustainable Mixed-Use Community for the Gold Coast

Parklands

Gold Coast, Queensland, Australia

The Parklands project provided a purpose-built development to be used initially for the 2018 Commonwealth Games, with a long-term vision as a place for the Gold Coast community to live, work and play.

"With sustainability and community at the core of design, working on Parklands was a true once-in-a-lifetime experience professionally. With the acknowledgement and integration of culture, heritage and community identity in the project design, it was rewarding to feel that a positive impact would be realized in the long term.

"As one of the most significant urban renewal projects to be undertaken in Queensland, a key issue and by far the greatest opportunity was developing the project on a brownfield site. The innovative design breathed new life into the site, providing seven hectares of green and landscaped areas, along with substantial ecological value improvements."

— **Rikki-Lea James**
Sustainability Consultant

“The sheer number of stakeholders, multiple clients and tight deadlines made this a project where our core team and great relationships with our partners played an exceptionally important role.”

— **Kevin Sheppard**
Principal, Building Services and Project Manager

Third-Party Sustainability Ratings

The project achieved a 6-Star Green Star Communities v0.2 PILOT rating (the maximum possible), an EnviroDevelopment Mixed Use 6-Leaf certification from the UDIA, and an average NatHERS (Nationwide House Energy Rating Scheme) rating of 6 or above.

Inclusivity and Community Engagement

A successful Reconciliation Action Plan and an Indigenous Participation Plan were established, as well as community partnerships with several local organizations including the Gold Coast School of Construction, Griffith University, Southport Special School and TAFE (Technical and Further Education) Queensland.

The project team was recognized with the President’s Award, the Master Planned Development Award and the Consultants’ Excellence Award at the 2018 Urban Development Institute of Australia’s (UDIA) Queensland Awards for Excellence.

Five kilometres from Surfers Paradise on the Gold Coast, the Parklands development accommodated 6,600 athletes and officials during the 2018 Commonwealth Games.

Our transport, property and sustainability consultants collaborated to deliver all four stages of the Commonwealth Games Village and Gold Coast Commonwealth Games Corporation (GOLDOC) headquarters on behalf of our client Grocon.

After the Games, transformation began to create a mixed-use residential, retail and business community that will be integrated into the adjacent Gold Coast Health and Knowledge Precinct. The visionary masterplan, coupled with innovative approaches to project delivery, has enabled the site to be easily repurposed with minimal adaptations to be made.

WSP provided the following services on this project: Building Services, Sustainability, Transport Planning, Rail, Traffic Modelling, Integrated Transport Systems and GIS. Having played a key role in every stage of the development of the Village, our teams became fully part of the project journey and gained an in-depth understanding of the Games' overarching vision.

Following its adaptation to legacy mode, the site has been renamed as Smith Collective. It will become one of Australia's first build-to-rent developments, with 1,252 apartments and townhouses available to rent from early 2019.

52

52 packages of works delivered during a six-year period

1,252

1,252 properties available for rent from 2019

Image courtesy of Grocon Pty Ltd

Polish History Museum

Warsaw, Poland

The Polish History Museum is being constructed in a new complex within the grounds of the Warsaw Citadel. The permanent exhibition space will tell the story of 1,000 years of Polish history, life and culture, through genuine antiques as well as scenography and multimedia displays. The building will also include a restoration department, laboratories, conference and educational centres, restaurant facilities and office space. WSP is providing mechanical and electrical services alongside structural design for our client WXCA Biuro Architektoniczne.

Image courtesy of WXCA Biuro Architektoniczne

Usine 4.0 Latécoère

Toulouse, France

Groupe Latécoère's new plant was digital from the start, beginning with its 3D plant-and-equipment model. Using it meant we could fine-tune the design and integrate models of the production process, an enormous advantage since production space needs to be rapidly reconfigurable to accommodate new equipment, processes or products. As owner's engineer, WSP had to demonstrate tremendous flexibility in producing the front-end engineering design, as well as during compliance monitoring and project management.

6,000

Area of the new plant: 6,000 m^2

Image courtesy of Deutsche Bahn AG / Frank Barteld

German Unity Transport Project 8

Nuremberg–Erfurt–Leipzig/Halle–Berlin High-Speed Railway Line, Germany

This major new high-speed rail link connecting Berlin to Munich via Nuremberg is a ten-billion-euro project approved by the German federal government in 1991. We supported the German railway company Deutsche Bahn and dedicated contractors with engineering design services in several sections along the 500 km-long new and upgraded route, through all stages to completion. This included signalling systems; overhead catenary lines; electrical power and point heating systems; and telecommunications and remote-control systems. Trains run with a speed of up to 300 km/hour on the new line, which was inaugurated at the end of 2017.

Image courtesy of Isku Interior/Tuomas Heikkilä

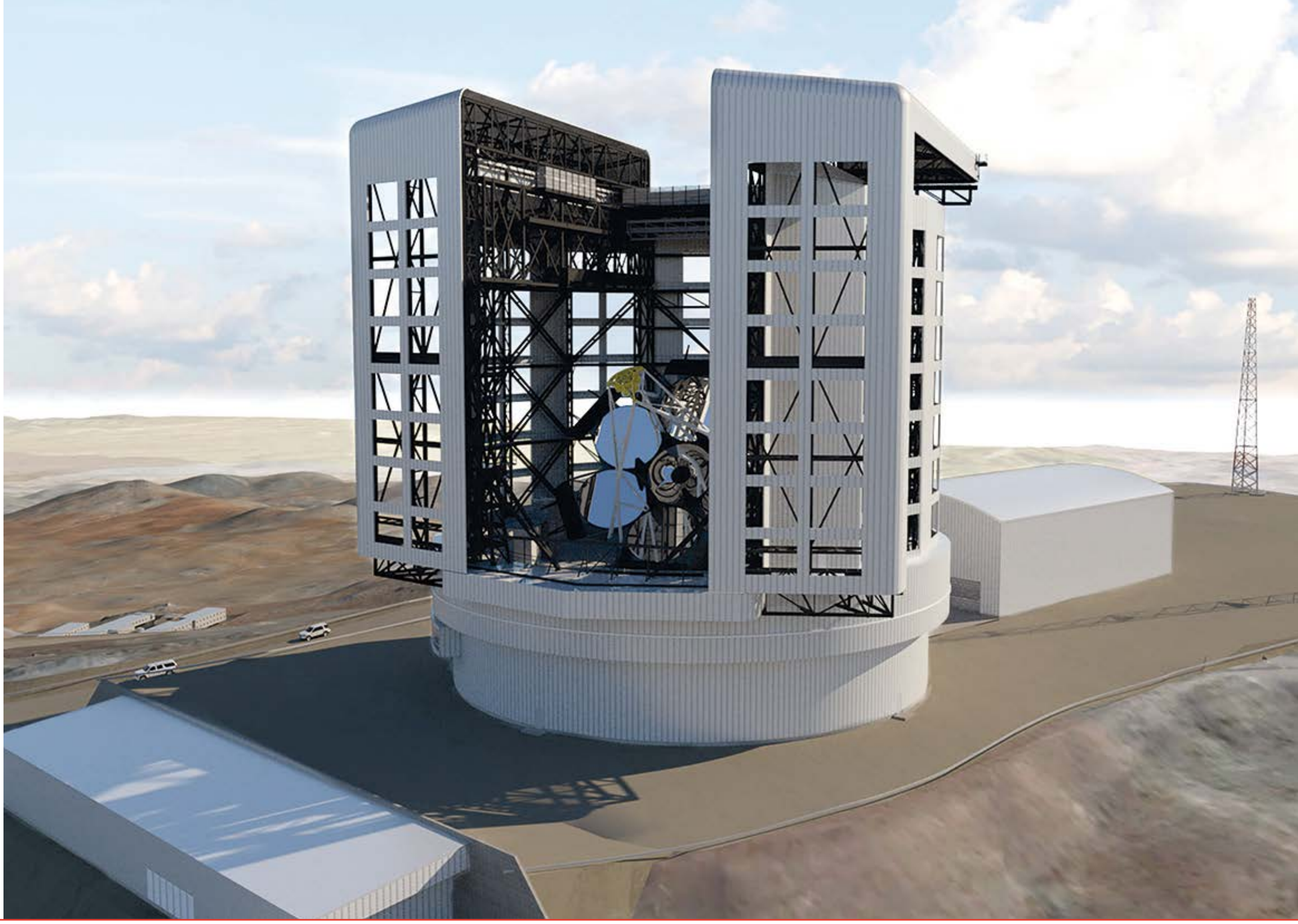
Lahti University of Applied Sciences ("LAMK") Campus

Lahti, Finland

Opened in November 2018, the new Lahti University of Applied Sciences campus and restaurant area were developed from a former industrial building combined with newly built sections. From the outset, sustainability considerations prevailed: BREEAM certification is being sought, leading to the selection of carbon-neutral heating and cooling solutions, including geothermal and solar energy. We were responsible for project management and contractor supervision during this fast-paced development for our client Isku Invest Oy (Keskusportti Koy being the parent company).

23,000

Campus floor area of 23,000 m^2



Giant Telescope, Giant Challenge

The Giant Magellan Telescope (GMT) will be a ground-based telescope that promises to revolutionize our vision and understanding of the universe.

The telescope is 25 metres in diameter and will consist of seven 8.4-metre mirrors, mounted together in a steel structure. With its unique design, the GMT will offer images with a resolution 10 times greater than those captured by the Hubble Space Telescope orbiting the Earth.

"We are working at altitude, in desert conditions, 600 kilometres north of Santiago," says Andrés Navarro, Site Manager. "In addition to the remarkable location, the quality requirements for the project are one-of-a-kind. Flexibility in the construction stage is also key, since the technology for the telescope is still under development."

Giant Magellan Telescope

Cerro Las Campanas, Atacama Desert, Chile

The Giant Magellan Telescope will be the largest telescope in the world, situated at one of the best astronomical sites on the planet.

60,000

More than 60,000 hours worked with no lost-time injuries.

2,000

Expected weight of the telescope is approximately 2,000 metric tons.

The WSP team is undertaking construction management, technical inspection, engineering and constructability reviews and health, safety and environment support services on the telescope site, on behalf of our client the GMTO Corporation (GMTO).

"Working on this global, collaborative project is quite simply a unique experience," explains Ricardo Glade, Construction Manager. "We were chosen to be part of an initiative that will mark a generation of engineers, astronomers and other scientists. As trusted consultants, we are rising to the challenge of maintaining and continuously raising the quality levels of our work in this complex environment."

Highlights

- WSP's team members are based in California and Colorado in the U.S.; Santiago, Chile; and at the project site.
- The GMTO is an international consortium of leading universities and science institutions from the U.S., Australia, South Korea and Brazil.
- Advanced technology is vital, for example the state-of-the-art project information management system.
- The telescope will be housed in a rotating building 60 metres in diameter and 65 metres high.

Canada's Largest and Most Complex Heritage Rehabilitation Project

Centre Block Rehabilitation Project

Parliament Hill, Ottawa, Canada

Centre Block is one of Canada's most iconic buildings and houses the seat of government for the country, including the House of Commons and Senate Chamber.

"Our successful bid for this fascinating project was the result of a combined interdisciplinary effort and collaborative approach that successfully leveraged the strength of our local and global teams. The keywords on this project being innovation, technology and sustainability, we are proud to work with our partners to maximize our support on these aspects."

— **Bruce Carter**
Lead Program Manager

"As design of the building's rehabilitation and modernization progresses, we will be advising on opportunities to reduce the environmental footprint; optimize energy use; enhance occupant health and well-being; and produce designs which are ready for the future."

— **Bruce Carter**
Lead Program Manager

Seismic Modelling

We are performing advanced, analytical, non-linear modelling of this historic building to determine its response to seismic shaking. Various seismic upgrade strategies are being explored, including the use of seismic isolation technology as a means of minimizing the structural intervention and its impact on the building's heritage finishes.

The scope of the Centre Block Rehabilitation (CBR) project includes comprehensive restoration of Centre Block and its integrated Peace Tower, along with the completion of the Visitor Welcome Centre Complex, and over 25 enabling and 40 investigative sub-projects.

WSP is leading the joint venture partnership, branded as CENTRUS, and is providing all engineering and design management services. HOK, our partner in this joint venture, will lead all architectural and conservation efforts, supported by strategic partners Architecture49 and DFS Inc. architecture & design. The CENTRUS team is located close to the site with the construction management team, our client and user representatives in an integrated project delivery office.

2019

Multiyear project with the full work schedule to be determined by the end of 2019

400

Up to 400 people will be mobilized in the joint venture at peak

An established team of Building Information Modelling (BIM) experts is providing cutting-edge tools to the design team to deliver this project.

The restoration is a complex blend of heritage conservation with appropriate and sensitive contemporary interventions such as new mechanical, electrical and security systems, as well as a comprehensive seismic upgrade strategy. The joint venture is driving improvements to the long-term durability of the building enclosure at Centre Block, while maintaining and enhancing the prestige of this unique and high-profile cultural asset.

Centre Block was closed for Parliamentary and Senate operations at the end of 2018 to enable the initial investigative work and subsequent refurbishment to commence.

Framework Agreement with Norske tog AS

Oslo, Norway

Becoming part of the current major railway reforms in Norway was a proud moment for our team. Combining our skills with the expertise of our Swedish colleagues, we have been awarded a framework agreement with Norske tog AS, the state-owned company which acquires, manages and leases passenger rolling stock to Norwegian rail companies. The framework includes technical services and advisory, and project management. WSP was recently awarded the first contract related to our agreement, which involves the management of a portfolio of projects for the technical improvement of Norske tog's existing fleet.

95

Estimated total value of the framework is CAD 95 million

Image courtesy of Norske tog AS

One Verdi Park

Bucharest, Romania

One Verdi Park is a mixed-use, twin-tower complex in northern Bucharest, which is currently at the building permit stage. Tower A is a 16-storey office block, and Tower B is a 20-storey residential building with 140 units. Gross building area of the development is 60,000 m^2, and both towers will have ground floor retail and commercial spaces. Our team is providing a full range of services, including structural and MEP design; schematics; building permit; technical and detailed design; LEED Gold certification; tender assistance and site supervision. Our client is the developer One United Properties and the architect is X Architecture & Engineering.

Image courtesy of One United Properties SA and X Architecture & Engineering

Sengkang General and Community Hospital

Singapore

This integrated development is Singapore's largest hospital and was opened in August 2018, offering cutting-edge facilities with community-based care. A green podium roof, highly efficient chilled water plant, heat recovery, low-loss transformers and state-of-the-art UPS systems are among the many features designed for environmental sustainability. WSP was the Mechanical and Electrical Consultant, on behalf of the Singapore Ministry of Health.

1,000

1,000-bed general hospital

400

400-bed community hospital

30%

30% energy savings compared to local building code

Widening of the Rande Bridge: A Unique Challenge

As the first structural widening of a cable-stayed bridge in the world, the project represented an exciting technical challenge. In a joint venture with MC2 Estudio de Ingeniería and Manuel Juliá Vilardell (original designers of the widening), we were selected by our client Audasa to provide structural supervision and advisory services including detailed design, review of workshop drawings and temporary works, and supervision of singular manoeuvres. The team was also in charge of some of the most challenging tasks, including full aeroelastic wind tunnel tests, vibration analysis on old and new cables and evaluation of riding comfort.

Rande Bridge

AP-9 Atlántico Highway linking Portugal's A-3 highway with Vigo, Santiago de Compostela, A Coruña and Ferrol in Spain

The original Rande viaduct, a 400-metre span cable-stayed bridge, was opened to traffic in 1981. Nearly 40 years later, congestion was a chronic problem and a successful widening solution was implemented.

400

Span of 400 metres

60,000

Average traffic intensity of almost 60,000 vehicles per day

"Adding two new lanes in separate decks cut time and cost by at least half compared to building a new bridge, and construction work was carried out without interruption to existing traffic flow," explained Oscar Ramón Ramos, Director, Bridges. "The team is proud to have supported the client to result in high-quality work and successful execution, with the widening being completed in only 18 months."

The Rande Bridge project was honoured with the Spanish Civil Engineering Foundation's 2018 Segovia Aqueduct Award (Public Works and Environment). The project was chosen for its technical and functional strengths, its social and cultural importance, the quality of corrective measures and its success in blending into and enhancing the landscape.

Highlights

- The widening took full advantage of the existing structure, with its important heritage value.
- Existing main towers utilized with new decks, new stays and composite box girders.
- Traffic capacity of the bridge extended from four to six lanes.
- Execution respectful of sensitive ecological conditions in the Vigo Estuary.

Replacing an Outdated Structure with a State-of-the-Art Venue

Slussen Bus Terminal

Stockholm, Sweden

A meeting point where public transit, boats, bicycles, cars and pedestrians come together, the Slussen Bus Terminal structure has reached the end of its serviceable life and is being rebuilt.

"The WSP team is very proud to be part of the complex journey to rebuild the terminal, and is responsible for many different aspects of the project. We look forward to the outcome, where modern planning will allow public transport, pedestrians and cyclists to have more space and enjoy much-improved facilities.

"At the beginning of 2019, we entered an intensive phase of the project, as the two-year task of blasting space for the new terminal in the rock underneath the Katarina Mountain began. Blasting in close proximity to a dense urban area requires highly sophisticated expertise in rock mechanics and structures; the experience and ability of our wider team has allowed us to take this on for our client, the City of Stockholm."

— **Patrik Vännström**
Senior Project Manager

Our experience with BIM (Building Information Modelling) plays a crucial role in the project, as the detailed design is delivered almost completely in the form of BIM models.

The new Slussen Bus Terminal will be located in a rock cavern, which is being created under the Katarina Mountain in the city of Stockholm. Once completed, it will provide a modern hub for commuters from the Eastern part of the city. The bus terminal is being developed to seamlessly integrate with commuter train and underground services, allowing for smooth interchanges without having to leave the station. The surrounding Slussen area will be converted into one of Stockholm's most attractive venues, with new squares, docks and a park.

This project presents many challenges, including fire and risk management; logistics around the construction site; an extremely short time frame for design and construction; high traffic volume; evacuation safety; and initial consensus surrounding the location of the terminal.

Addressing Key Safety Concerns

The gas-fuelled buses used in Stockholm create huge demands for effective ventilation and gas detection systems, as well as a need for both the rock and structural elements to withstand extreme fire and explosion loads should an accident occur.

Preserving a Part of our Cultural Heritage

A small but important part of the rebuilding of Slussen is the restoration of the Lokatten staircase. The staircase has not been used for several decades, and our team is providing the specific expertise required for its restoration.

90

Number of full-time employees on the project

12

Height of the new tunnel: 12 metres

Based on Foster + Partners' architectural design, the preliminary design was executed by our team and we are providing a wide range of services within our Transport & Infrastructure, Property & Buildings and Environment sectors. The detailed scope of our services includes rock mechanics; structural engineering; road design; geotechnics; surveying; geohydrology; project management; water and sewerage.

300,000

300,000 m³ of rock to be excavated

12,000

12,000 m³ of concrete for construction

Delivering Transport Benefits on Auckland's North Shore

The Northern Corridor Improvements Project will provide improved links for motorway travellers in Auckland and expand travel choices on the North Shore for freight, cars, pedestrians and cyclists.

Communities will experience easing congestion, improved safety through the separation of local and motorway traffic, and benefit from new walking and cycling links. The project will also support future freight and economic growth.

Providing detailed design, environmental, planning and construction-phase services on behalf of the New Zealand Transport Agency (NZTA), we collaborated across many of our New Zealand offices, and were proud to call on international expertise from our offices in Australia (tunnel fire protection design) and design partners in the U.S. (bridge and tunnel design).

Northern Corridor Improvements (NCI) Project

Auckland, New Zealand

This multimodal transportation project delivers a new motorway-to-motorway connection, increased motorway capacity, a 4-km-long dedicated busway and a 7-km-long shared-use path to support active transportation.

6 km

6-km upgrade of existing state highway

4 km

4-km-long dedicated busway

7 km

7-km-long shared-use path

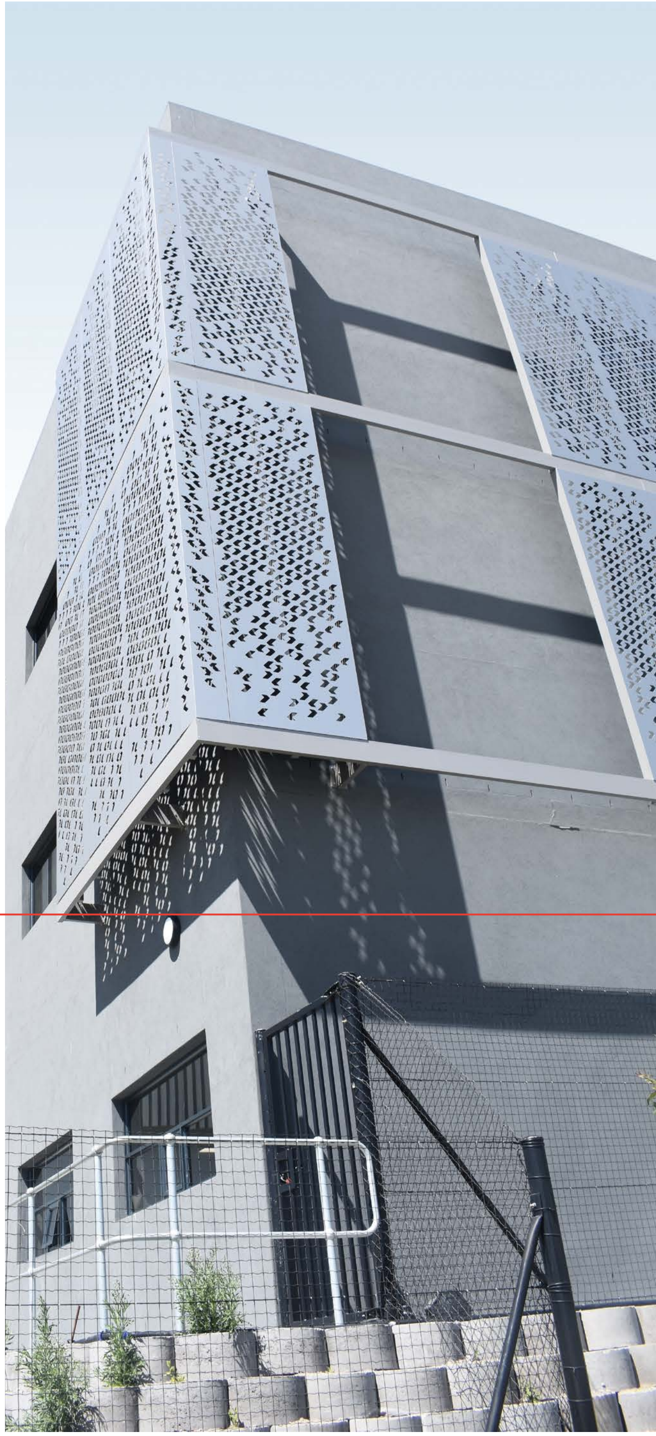
"A key feature contributing to the success of our tender was an overarching concept of prioritizing safety to influence traffic management, and developing the design to facilitate that methodology," explains Darrell Oosterbeek, Project Manager and Zone 2 Design Manager.

Safety in Design has been integral to the design process, with requirements in the construction, operation, maintenance and decommissioning phases under consideration. Direct consultation with key stakeholders, including the Auckland Motorway Alliance and Auckland Transport, was carried out and requirements incorporated into the design accordingly.

The overall project is being delivered by the Northern Corridor Improvements Alliance for the NZ Transport Agency and is scheduled to be completed in 2022.

Highlights

- IAP2 International Project of the Year at the International Core Values Awards (2018).
- On track to achieve bronze "Greenroads" status (measure of sustainability on highway improvements).
- A dedicated busway future proofed for possible conversion to light rail (LRT).
- Relocation and improvement of international standard field hockey and BMX facilities, and a pony club.



The Shoprite Group Cilmor Distribution Centre was honoured in the 'Factory and Warehouse' and the 'Global Roofing Solutions Metal Cladding' categories at the 2018 Southern African Institute of Steel Construction (SAISC) Awards.

Cilmor Distribution Centre

Cape Town, South Africa

Shoprite Group's Cilmor Distribution Centre project consisted of the construction of multiple buildings including warehouses, a cold storage facility and peripheral buildings. WSP was appointed for a range of services, including structural design of warehouse floors and superstructures, HVAC and vertical transportation. Having previously delivered five similar projects for our client, our internal teams were able to ensure smooth project coordination. Despite tight timelines, the client relationship made it possible to foresee requirements and accurately assess risks, allowing for highly successful delivery.

Southwest Reinforcement Project

Colombia, South America

The Southwest Reinforcement Project comprises upgrades to substations and transmission lines to strengthen the transmission of electrical energy to Colombia's central and southwest regions. WSP was commissioned to complete detailed designs of the transmission lines and the environmental impact studies. Through an optimal design that minimized the project's environmental impact, we supported the electrical interconnection of two large areas for economic growth, supplanted the need for energy generation based on thermal sources, and attained social acceptance for its construction and operation.

Image courtesy of Benedikt Redmann

"We are innovating with a sustainable energy concept for the new building, which will include geothermal heat pumps and probes, plus a photovoltaic system on the roof."

— **Feer Konrad**
Project Manager

Sennhof Nursing Home (Pflegeheim Sennhof)

Vordemwald, Switzerland

Situated in a beautiful park, Pflegeheim Sennhof is a retirement and nursing home for long-term and chronically ill residents. The project consists of reorganizing the layout and building an extension to the historical core, while increasing natural light in all rooms. Our team is responsible for providing HVAC services, as well as building automation, for our client Pflegeheim Sennhof AG, Vordemwald. This involves the installation of a new control system including switchgear assemblies, and enhancement of the building systems to optimize functionality.

Opening the East Coast's Largest Seaport to New Panamax Ships

Bayonne Bridge Navigational Clearance Project

Bayonne, New Jersey and Staten Island, New York, United States

Raising the roadbed of the Bayonne Bridge by 19.5 metres allowed huge New Panamax ships to reach ports in New York and New Jersey.

“The expansion of the Panama Canal and the emergence of New Panamax ships has been a game changer for the global movement of goods. Without raising the Bayonne Bridge to accommodate these new vessels, our ports would have diminished access to global markets.

“When the first New Panamax ship passed under Bayonne Bridge to enter the Port of Newark-Elizabeth it was an amazing moment, not only because of the impressive size of the ship, but because of how this improvement will benefit our community.”

— **Beth DeAngelo**
Project Director

"Raising the roadbed of the bridge without completely shutting the bridge to traffic posed an extremely complex engineering challenge. This is not only the largest project of my career, but also the project that has had the most impact on the community in which I live and work."

— **Beth DeAngelo**
Project Director

The expansion of the Panama Canal, completed in 2016, and the emergence of New Panamax cargo ships placed the Bayonne Bridge at a crossroads. The once ample clearance for the bridge that connects Bayonne, New Jersey and Staten Island, New York, was now too low to permit passage of these huge ships.

The solution was an ambitious plan to strengthen the arch and raise the roadway to a height of 65.5 metres over the waterway, followed by the demolition of the original roadbed. Our team provided design services in a joint venture with HDR, on behalf of our client, the Port Authority of New York and New Jersey.

This project was honoured with the 2018 Grand Conceptor Award from the American Council of Engineering Companies, signifying the "year's most outstanding engineering achievement."

19.5

Bridge roadbed raised by 19.5 metres

4,000

More than 4,000 tons of steel plates

65.5

New clearance of 65.5 metres

Future Proofing

Raising the roadway of the bridge allows it to accommodate current (New Panamax) and future marine traffic, and the bridge will be able to accommodate light rail in the future. Stainless steel reinforcing bar was used in the roadway deck to ensure a 100-year design life.

Bridge Reinforcement

More than 4,000 tons of steel plates were used to strengthen the bridge and accommodate higher wind loads. This reinforcement brought the bridge into compliance with the American Association of State Highway and Transportation Officials' load and resistance factor design standards.

With USD 200 billion worth of goods flowing through the ports annually, 3.5 million vehicles crossing the bridge and limited alternative routes for traffic, it was not practical to close either the bridge or the shipping channel during construction. With carefully planned staged construction coordinated among numerous project partners, the bridge successfully remained open to traffic during peak hours, with lane closures usually limited to weekends and nights. The shipping channel remained open throughout construction.

As of February 2019, both of the bridge's roadways are open to traffic, marking the first time since 2013 that four lanes of traffic are traversing the Bayonne Bridge. Completion of the Bayonne Bridge Navigational Clearance Project is targeted for mid-2019.

Designing the World's Largest Ferris Wheel

As Lead Designer and Architect of Record on this unparalleled project, WSP oversees the design of the wheel structure and is responsible for detailed design of the terminal building, in close collaboration with the internationally renowned architect Snøhetta. We are also responsible for coordinating the multitude of other international consultants and suppliers on this record-breaking project.

With no precedent for an observation wheel this tall, much of what our team is accomplishing with the client is highly innovative. For example, for the ride time on the wheel to remain similar to other wheels, we are introducing a travellator on the boarding platform to ensure passengers can safely enter and exit the moving capsules.

Ain Dubai ("Dubai Eye")

Dubai, United Arab Emirates

The Ain Dubai is located on the Bluewaters Island complex in Dubai Marina and will give a spectacular view over the Jumeirah Beach Residence and Palm Jumeirah.

210

210-metre-high observation wheel

48

48 luxury capsules capable of holding 1,920 visitors

Specialist access provisions have also been designed to ensure maintenance can be carried out as efficiently as possible.

We have an excellent relationship with our client Hyundai, and our ultimate client, Meraas, has also realized the value we are providing. Indeed, we are involved to a greater degree than would be normal practice for a design-build project, a fact that is appreciated by Hyundai and Meraas alike.

"We are proud that the client has really come to trust and rely on the WSP team for our specialist skills, our timely delivery and our management of challenging situations as they have arisen," states Darren Brooke, Project Director.

The highly anticipated inauguration of the wheel will take place in time for Expo 2020.

Highlights

- WSP led the Hazard Identification Analysis and the Safety Case.
- Advanced structural monitoring to prolong the life of the structure.
- Full-time safety advisor upholding excellent standards on the construction site.
- Strong relationships between all partners, contributing to project success.

Bringing a Vision to Reality: InterContinental's Shanghai Wonderland

InterContinental Shanghai Wonderland Hotel

Shanghai, China

The InterContinental Shanghai Wonderland Hotel is located 35 kilometres from Shanghai city centre in an unusual spot for a 5-star hotel – an abandoned quarry.

"Working on such an unusual project in a fascinating location was highly enjoyable and a wonderful professional challenge. True to our brand, this project gave us the opportunity to 'design the unthinkable.' As the MEP Consultant Engineer, we provided comprehensive advice and solutions to our client, Shimeo Group, and also to the InterContinental Hotel team to address the unique challenges of this project."

— **Ming-Kwan Yeung**
Senior Associate

Onwards and upwards? Not necessarily. In this project we headed below ground level with the project team to work on this 18-storey hotel, with two floors above ground and sixteen floors below ground – two of which are situated below the water level of the lake in this former quarry.

By building the hotel where it is, the developer intends to impact the surrounding environment positively. The design of the hotel reflects the natural landscape of the quarry and the rocky cliff faces, waterfalls and nearby hills. All rooms have a balcony with view of the lake, and the two underwater levels are home to a restaurant, guest rooms, and an aquarium where guests can watch schools of fish swim by.

16

16 floors situated below ground in the cliff face

88

Hotel reaches 88 metres underground

Project honours include Winner of "Asia's Leading Hotel Development Project" at the 2018 World Travel Awards.

Sustainable Features

A green roof has been created on the hotel, and many other interesting features have been included, ranging from geothermal to solar energy. The green roof allows the hotel to blend into the surrounding environment as a natural element, and there are considerable benefits from the related energy savings.

Future Proofing

As part of the flood risk control design, extensive analysis of historical and projected rainfall data for the Shanghai and Songjiang districts was carried out alongside a study of water run-off and seepage from the quarry cliff face.

We resolved some captivating technical challenges during the design development stage. Mitigation of flood risk was clearly of the utmost importance; in the event of exceptionally heavy rainfall for example, emergency pumps are activated to reduce the level of the lake under a controlled environment to prevent flooding. We performed extensive computational fluid dynamics analyses to model the microclimate of the quarry under different scenarios.

The WSP team shared a proud moment with its client and partners at the grand opening of the hotel on November 15th, 2018.

61,087

Gross floor area is 61,087 m^2

1,000

Conference facilities for up to 1,000 people

48,000

Approximate number of employees worldwide

7,900

Employees

12,400

Employees

Canada

Tree for Life Award and Award of Excellence

Canadian Consulting Engineering Awards (ACEC)

Vancouver International Airport (YVR) Flywheel Energy Storage and Airfield Power System

Vancouver, British Columbia

Award of Excellence

Canadian Consulting Engineering Awards (ACEC)

Town of Ladysmith Wastewater Treatment Plant Upgrade

Ladysmith, British Columbia

National Award of Excellence

Canadian Society of Landscape Architects (Large Public Landscapes)

Charest/Robert-Bourassa Interchange

Quebec City, Quebec

Americas

2018 Outstanding Civil Engineering Achievement Award

American Society of Civil Engineers

Second Avenue Subway, Phase 1

New York, New York

2018 National Project of the Year

American Society of Highway Engineers (ASHE)

Dominion Boulevard Improvement Project

Chesapeake, Virginia

2018 Excellence in the Constructed Project Award

United States Society on Dams

Chilhowee Dam North Embankment Remediation Project

Blount and Monroe counties, Tennessee

Our Regions in 2018

We are pleased to present a selection of honours conferred on some of our outstanding projects worldwide last year.

EMEIA*

19,100

Employees

Transport Project of the Year
British Construction Industry Awards
London Bridge Station
London, United Kingdom

Security Retail Project of the Year
Intersec Security, Safety & Fire Middle East Awards
Dubai Mall Fashion Avenue Expansion
Dubai, UAE

Winning Project, Rural Development Category
2018 SAPOA Property Development Awards for Innovative Excellence
Bambanani Junction Retail Development
Johannesburg, South Africa

*Europe, Middle East, India & Africa

Asia Pacific

8,300

Employees

2018 People's Award
Institution of Civil Engineers (ICE)
The Kaikōura Recovery Project (NCTIR)
South Island, New Zealand

Special Contribution Award
Poly Australia Annual Gala Awards 2018
Susan Huang, Associate Director, Property Structures – NSW
Various Poly projects, Australia

Grand Award in the Consulting Firm Category
Hong Kong Institute of Building Information Modelling (HKIBIM)
WSP's commitment to cutting-edge technologies
Hong Kong

Management's Discussion & Analysis

For the year ended December 31, 2018

01

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") of consolidated financial position and consolidated results of operations dated March 13, 2019, 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 audited consolidated financial statements and accompanying notes of the Corporation for the year ended December 31, 2018. The Corporation's audited consolidated financial statements for the year ended December 31, 2018, have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and as set out by the Chartered Professional Accountants (CPA) Canada Handbook -Accounting. All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated.

This MD&A focuses on the Corporation's 2018 full year results, as well as its fourth quarter results, covering the period from September 30, 2018 to December 31, 2018. 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.

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.

02

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; EBITDA; adjusted EBITDA; adjusted EBITDA margin; adjusted EBITDA before Global Corporate costs; adjusted EBITDA margin before Global Corporate costs; adjusted net earnings; adjusted net earnings per share; adjusted net earnings excluding amortization of intangible assets related to acquisitions; adjusted net earnings excluding amortization of intangible assets related to acquisitions per share; acquisition, integration and restructuring costs; backlog; funds from operations; funds from operations per share; free cash flow; free cash flow per share; days sales outstanding ("DSO") and net debt to adjusted EBITDA. These measures are defined at the end of this MD&A, in the "Glossary" section. Reconciliations to IFRS measures can be found in sections 8 and 9 of this MD&A.

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 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.

03

Corporate Overview

As one of the world's leading professional services firms, WSP provides leading engineering and design services to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Industry, Resources and Power & Energy sectors, as well as offering strategic advisory services. Our experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, in addition to other design, program and construction management professionals. With approximately 48,000 talented people globally, we are uniquely positioned to deliver successful and sustainable projects, wherever our 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. We offer 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 on time and on budget.

We believe we have 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 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, highway, bridges, tunnels, water, maritime and urban infrastructure. Public and private sector clients, construction contractors and other partners seek our 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 we offer comprehensive, innovative and value-oriented solutions to assist our clients in achieving their desired outcomes, we take great pride in solving our clients' toughest problems. We offer 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

The Corporation is a world-leading provider of technical and management consultancy services with a track record in delivering buildings of the highest quality. We are involved in every stage of a project's life-cycle, from the earliest planning stages through design and construction, to asset management and refurbishment. Our technical experts offer truly multidisciplinary services including structural and mechanical, electrical, and plumbing (MEP) engineering, supplemented by a wide range of specialist services such as fire engineering, lighting design, vertical transportation, acoustics, smart buildings, audiovisual systems, information technology, facade engineering, security consulting and green building design.

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. Our 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.

Power & Energy

The Corporation offers its 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. Our 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 during the construction phase.

Resources

The Corporation has the scale and expertise to support all our worldwide resource clients. In mining, our 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 EPCM to site closure and rehabilitation. Our expertise includes resource and reserve modeling, metallurgical testing, geotechnical and mine design and detailed engineering for mining infrastructure. In oil and gas, we help clients with some of their most demanding technical and logistical challenges. Our 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.

Industry

The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology, automotive and chemicals. Our 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 engineering, procurement, and construction management (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 our extensive experience. Our team blends the technical skills of our global network with results-oriented business acumen to provide effective and sustainable strategies that also contribute to the advancement of the communities where we are 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 us to build strategic relationships with our clients. We support 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, we 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. Our Technology Services experts integrate the use of digital solutions and software to enhance engineering, infrastructure, buildings and environmental projects. In addition, as we face significant challenges related to population growth, resource demands and constraints, and extreme weather events that impact the resiliency and sustainability of our communities, the Corporation remains committed to integrating the principles of sustainability into our work in planning, designing and managing both property and infrastructure.

04

Performance Metrics

The Corporation uses a number of segmental and consolidated financial metrics to assess its performance. The table below summarizes our most relevant key performance metrics by category. The calculated results and the discussion of each indicator follow in the subsequent sections.

Category	Performance Metric	Q4 2018 vs Q4 2017	YTD 2018 vs YTD 2017
Growth	Net Revenues*	○	○
	Organic growth**	🔴	🔴
	Backlog*	○	○
Profitability	Adjusted EBITDA*	○	○
	Adjusted EBITDA margin*	○	○
	Adjusted net earnings*	○	○
	Funds from operations*	○	○
	Free cash flow*	🔴	○
Liquidity	Cash flows from operating activities	○	○
	DSO*	○	○
	Net Debt to adjusted EBITDA*	●	●

* Non-IFRS measures are described in the "Glossary" section. Reconciliations to IFRS measures can be found in sections 8 and 9.
** Organic growth is a measure of net revenues growth in local currencies. The Corporation believes it is helpful to adjust net revenues to exclude the impact of net revenues related to acquisitions and foreign currency fluctuations in order to facilitate comparable period consolidated and operating segment business performance.

○ Favourable ● Stable 🔴 Unfavourable

05

Q4 and Fiscal 2018 Financial Results Highlights

WSP is pleased with results achieved in Q4 and fiscal 2018. Key 2015-2018 Global Strategic Plan objectives were met, providing the base for the 2019-2021 Global Strategic Plan presented to the investment community on January 30, 2019.

Q4 and full year 2018 adjusted EBITDA margin stood at 11.0%. Free cash flow generated for the year was $547.4 million, representing 220.6% of net earnings attributable to shareholders, and backlog remained solid at 10.1 months.

Q4 2018

— Revenues and net revenues of $2,043.9 million and $1,541.0 million, up 4.6% and 4.2%, respectively, compared to Q4 2017.

— Consolidated organic growth in net revenues stood at negative 2.4%, in line with Management's anticipated decrease in US-based Federal Emergency Management Agency ("FEMA") net revenues when compared to Q4 2017. Adjusted for FEMA-based net revenues in excess of Management's expectations for Q4 2017, consolidated organic growth in net revenues for the quarter would have stood at 2.6%.

— Adjusted EBITDA of $169.5 million, up $29.5 million, or 21.1%, compared to Q4 2017.

— Adjusted EBITDA margin at 11.0%, compared to 9.5% in Q4 2017.

— Adjusted net earnings of $59.1 million, or $0.57 per share, both metrics up 50.0% compared to Q4 2017.

— Net earnings attributable to shareholders of $43.3 million, or $0.41 per share, up 42.9% and 41.4%, respectively, compared to Q4 2017.

— Quarterly dividend declared of $0.375 per share, with a 50.1% Dividend Reinvestment Plan ("DRIP") participation.

Fiscal 2018

- Revenues and net revenues of $7,908.1 million and $6,020.6 million, up 13.9% and 12.4%, respectively, compared to 2017.
- Consolidated organic growth in net revenues of 3.5%, spanning across all reportable segments, in line with Management's expectations and outlook.
- Adjusted EBITDA of $660.0 million, up $104.8 million, or 18.9%, compared to 2017.
- Adjusted EBITDA margin at 11.0%, compared to 10.4% in 2017.
- Adjusted net earnings of $295.2 million, or $2.83 per share, up 26.2% and 24.1%, respectively, compared to 2017.
- Net earnings attributable to shareholders of $248.1 million, or $2.38 per share, up 16.3% and 14.4%, respectively, compared to 2017.
- Backlog at $7,678.7 million, representing 10.1 months of revenues, up $1,169.6 million, or 18.0% when compared to Q3 2018 and up $1,317.1 million, or 20.7% when compared to Q4 2017. Backlog organic growth stood at 4.2% for the year.
- Inclusive of all acquisitions made in 2018, DSO stood at 76 days, a 3-day improvement compared to 2017, ahead of Management's expectations.
- Full year free cash flow of $547.4 million, representing 220.6% of net earnings attributable to shareholders.
- Incorporating a full twelve-month adjusted EBITDA for all acquisitions, net debt to adjusted EBITDA ratio stood at 1.8x, in line with our target range.
- Full year dividend declared of $1.50 per share, or $156.0 million, with cash payout of $78.1, or 50.1%.

06
Highlights

The following are highlights from the end of the Corporation's Q3 2018 reporting period to March 13, 2019, the date of publication of the 2018 MDA.

- On December 5, 2018, the Corporation announced that it acquired Irwinconsult ("Irwinconsult"), a 210-employee Australian engineering company. The Irwinconsult acquisition was financed using WSP's available cash and credit facilities and bolstered WSP's presence in Australia by increasing its expertise in property & buildings.
- On December 18, 2018, the Corporation completed the acquisition of Berger Group Holdings, Inc. ("Louis Berger") announced earlier in the year. The purchase price of US$400 million was financed by a new underwritten term facility.

  Louis Berger is a US-headquartered leading international professional services firm mainly active in the Transportation & Infrastructure and Environmental & Water sectors, as well as in Master Planning with approximately 5,000 employees, predominantly located in offices across the United States, with an additional presence across Continental Europe, the Middle East, Africa, Asia (mainly India) and Latin America.
- Subsequent to year-end, WSP Made four key executive appointments to support continued long-term growth in an evolving professional services industry. These included Ryan Brain, President and Chief Executive Officer of WSP in Canada; Ivy Hoi Yan Kong, Managing Director of WSP in Asia; André-Martin Bouchard, Global Director, Environment; and Alain Michaud, Senior Vice President, Operational Performance and Strategic Initiatives.
- On January 30, 2019 WSP released its 2019-2021 Global Strategic Plan, setting the stage for the next three years of the Corporation's growth. Highlights included net revenues to range between $8 to $9 billion, an increase in headcount of 35% and an increase in adjusted EBITDA by 50% all by the end of 2021. The full fledged presentation of the 2019-2021 Global Strategic Plan can be found at www.wsp.com.

07
2018 Review

The Corporation generated revenues and net revenues of $7,908.1 million and $6,020.6 million in 2018, up 13.9% and 12.4%, respectively, compared to 2017. Consolidated organic growth in net revenues, spanning across all reportable segments, stood at 3.5%, in line with Management's outlook.

Adjusted EBITDA and adjusted EBITDA margin stood at $660.0 million and 11.0%, respectively, higher when compared to 2017. In line with Management's expectations, all of the Corporation's reportable segments contributed to the improvement in both consolidated metrics.

The Corporation's consolidated backlog grew from $6,361.6 million as at December 31, 2017, to $7,678.7 million as at December 31, 2018, increasing organically 4.2% year-over-year. From a replenishment perspective, the Corporation's book-to-burn ratio stood above 1.0 for 2018.

Strategic acquisitions made during the year, notably Louis Berger in Q4 2018, not only strengthened WSP's presence in multiple market sectors but more importantly in the US, a key geographical region. Other acquisitions made during the year, specifically in the Nordics and Australia, increased both headcount and technical expertise. Acquisitions made in 2017 and 2018 contributed over $450.0 million, or 8.6% to the Corporation's 2018 consolidated net revenues.

Cash flow wise, improvement in DSO of three days and a strong emphasis put on working capital management led to a free cash flow of $547.4 million, or 220.6% of net earnings attributable to shareholders.

From a balance sheet perspective, the Corporation is on solid ground. All business acquisitions made throughout the year were financed with available cash on hand and amended credit facility. As well, the Corporation's net debt to adjusted EBITDA ratio, when incorporating a full twelve-month adjusted EBITDA for all acquisitions, stood at 1.8x at the end of 2018, in line with the Corporation's 1.5x to 2.0x target range.

Operational Review

Canada

Our Canadian operations posted organic growth in net revenues of 3.5%, in line with expectations. Adjusted EBITDA margin before Global Corporate costs improved to 14.0%, compared to 12.3% in 2017. Steady utilization rates, improved project delivery and cost containment efforts all contributed to the performance for the year.

On January 9, 2019, the Corporation, as part of a transition plan announced in June of 2018, appointed Ryan Brain as President and Chief Executive Officer of WSP Canada Inc. Mr. Brain is a strategic, results-oriented professional services executive with over 20 years experience in the professional service industry. WSP would like to thank Hugo Blasutta, WSP's former President and CEO, for his leadership over the past three years.

Americas

The Corporation's Americas reportable segment experienced organic growth in net revenues of just under 1.0% for the year, in line with Management's outlook. The flat organic growth in net revenues was mostly due to 2017 non-recurring FEMA-based revenues stemming from our US-based operations, in excess of our expectations.

FEMA-based revenues are generated from disaster inspection related services. While an annual FEMA-based revenues baseline amount can be reasonably forecasted, the occurrence of multiple significant disasters cannot be predicted. This was the case in 2017 with consecutive hurricanes *Harvey* (Texas), *Irma* (Florida) and *Maria* (Puerto Rico).

Adjusted for 2017 FEMA-based revenues, in excess of expectations, full year 2018 organic growth in net revenues for the region would have stood in the mid single digits.

Adjusted EBITDA and adjusted EBITDA margin, both before Global Corporate costs, of $257.3 million and 14.6%, respectively, were once again the highest amongst the Corporation's reportable segments and in line with expectations. Book-to-burn ratio for the year stood slightly above 1.2 and hard backlog increased organically by over 25% compared to Q4 2017, providing a solid base for 2019.

Our Latin American operations delivered results slightly below Management's expectations for the year due mainly to the integration of acquisitions made in 2017, which began in 2018, and expected to be completed by the first half of 2019.

EMEIA

Our EMEIA reportable segment delivered organic growth in net revenues of 5.1%, and adjusted EBITDA margin before Global Corporate costs of 10.3%, both metrics slightly above Management's expectations for the year.

The UK operations posted solid organic growth in net revenues above 7.0% in 2018, due mainly to the strong performance from the transportation & infrastructure market sector, specifically rail. Improved utilization rates also led to an uptick in adjusted EBITDA margin before Global Corporate costs year-over-year. The integration of the OPUS UK operations, acquired in Q4 2017, went according to plan.

Our Nordic operations delivered organic growth in net revenues slightly above 6% in 2018, led by our Swedish operations. Tuck-in acquisitions completed in Finland and Norway at the end of 2017 and in 2018, respectively, added capacity and technical expertise.

Our Central Europe, Middle East and South Africa operations all delivered results in line with Management's expectations for the year both in terms of net revenues and adjusted EBITDA contribution levels.

APAC

The APAC reportable segment posted organic growth in net revenues of 5.6%, ahead of Management's expectations for the year. Our Australian operations delivered organic growth in net revenues in excess of 16.0%, spanning across all market sectors.

Our Asian operations, as anticipated, posted negative organic growth in net revenues, as we continue our disciplined approach in managing our exposure to the private sector property & buildings market sector. Subsequent to year-end, Ms. Ivy Kong joined WSP as Managing Director of our Asian operations. Ms. Kong is an executive with approximately 20 years experience with evolving management responsibilities in the professional services industry. Ms. Kong replaced Mr. David Tsui, whom we wish a well-deserved retirement after 12 years of service with WSP.

Our New Zealand operations delivered results slightly above Management expectations. Anticipated synergies from our Opus acquisition in Q4 2017 materialized during the course of the year which, in turn, provided support to the APAC region as a whole.

Corporate

At the corporate level, we welcomed Mr. André-Martin Bouchard as Global Director, Environment and Mr. Alain Michaud as Senior Vice President, Operational Performance and Strategic Initiatives.

As Global Director, Environment, Mr. Bouchard's role and leadership will be crucial in positioning the Corporation's Environment and Resources market sectors as key growth drivers. Mr. Bouchard has been with WSP since 2006, having held various positions in Canada, serving most recently as Executive Vice President Environment and a member of the Canadian Leadership Team.

Mr. Michaud, as Senior Vice President, Operational Performance and Strategic Initiatives, will be responsible for overseeing the implementation of high impact initiatives that will support both the improvement of WSP's operational excellence and the achievement of its Global Strategic Plan. Before joining WSP, Mr. Michaud was a senior partner of a "big four" accounting firm for over 20 years serving as a member of both its Canadian and Quebec Leadership Teams.

Overall, 2018 was a fruitful year. Organic growth in net revenues stood at 3.5%, adjusted EBITDA margin before Global Corporate costs improved across all reportable segments, consolidated adjusted EBITDA margin reached 11.0% and free cash flow stood at 220.6% of net earnings attributable to shareholders, all of which led us to meet most our 2015-2018 Global Strategic Plan key objectives.

We now look forward to taking on the new challenges, as set out in our 2019-2021 Global Strategic Plan presented to the investment community on January 30, 2019.

08

Financial Review

8.1 Results Compared to 2018 Outlook

The 2018 target ranges, presented in the table below and in the Outlook section of the 2017 Annual MD&A, were prepared assuming no fluctuations in foreign exchange rates in which the Corporation operated during the course of the year. In addition, no consideration was given to any dispositions, mergers, business acquisitions, changes in effective income tax rates in countries where the Corporation operates and other events or transactions occurring after March 14, 2018, the date of publication.

Excluding fluctuations in foreign exchange rates, and events and transactions occurring subsequent to March 14, 2018, the date of publication of the 2018 outlook, the Corporation met or exceeded all of its 2018 outlook targets.

Measure	2018 Target range	Result
Net revenues*	Between $5,700 million and $5,900 million	○
Adjusted EBITDA*	Between $610 million and $660 million	●
Seasonality and adjusted EBITDA* fluctuations	Between 18% to 29%, the first quarter being the lowest and the third quarter being the highest	●
Effective tax rate	23% to 25%	●
DSO*	80 to 85 days	○
Amortization of intangible assets related to acquisitions	$60 million to $70 million	●
Net Capital expenditures	$115 million to $125 million	●
Net Debt to adjusted EBITDA*	1.5x to 2.0x	●
Acquisition and integration costs*	Between $40 million and $50 million	●

* Non-IFRS measures are described in the 'Glossary' section

● Target range met ○ Target range exceeded

8.2 Results of Operations

(in millions of dollars, except number of shares and per share data)	Q4 2018 For the period from September 30 to December 31	Q4 2017 For the period from October 1 to December 31	YTD 2018 For the period from January 1 to December 31	YTD 2017 For the period from January 1 to December 31
Revenues	$2,043.9	$1,954.3	$7,908.1	$6,942.2
Less: Subconsultants and direct costs	$502.9	$475.7	$1,887.5	$1,585.6
Net revenues*	**$1,541.0**	**$1,478.6**	**$6,020.6**	**$5,356.6**
Personnel costs	$1,160.1	$1,154.3	$4,567.1	$4,112.9
Occupancy costs	$66.9	$56.3	$258.9	$227.8
Other operational costs [(1)]	$145.0	$128.4	$536.8	$462.5
Share of earnings of associates	$(0.5)	$(0.4)	$(2.2)	$(1.8)
Adjusted EBITDA*	**$169.5**	**$140.0**	**$660.0**	**$555.2**
Acquisition and integration costs*	$21.7	$12.3	$62.3	$28.4
EBITDA*	**$147.8**	**$127.7**	**$597.7**	**$526.8**
Amortization of intangible assets	$29.9	$27.9	$102.6	$89.2
Depreciation of property and equipment	$24.6	$22.3	$91.8	$79.6
Financial expenses	$33.2	$14.5	$72.6	$41.1
Share of depreciation of associates	$0.3	$0.5	$1.2	$1.4
Earnings before income taxes	**$59.8**	**$62.5**	**$329.5**	**$315.5**
Income-tax expense	$16.3	$32.2	$80.5	$102.1
Share of tax of associates	$0.1	$—	$0.2	$0.1
Net earnings	**$43.4**	**$30.3**	**$248.8**	**$213.3**
Attributable to:				
- Shareholders	$43.3	$30.3	$248.1	$213.3
- Non-controlling interests	$0.1	$—	$0.7	$—
Basic net earnings per share	**$0.41**	**$0.29**	**$2.38**	**$2.08**
Diluted net earnings per share	**$0.41**	**$0.29**	**$2.38**	**$2.08**
Basic weighted average number of shares	104,387,699	103,084,862	104,150,041	102,448,943
Diluted weighted average number of shares	104,614,276	103,267,305	104,392,368	102,576,410

* Non-IFRS measures are described in the 'Glossary' section
(1) Other operational costs include operational foreign exchange gains/losses and interest income

In sections 8.3 through 8.6, we review the year-over-year changes to operating results between 2018 and 2017, describing the factors affecting net revenues, backlog, expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA before Global Corporate costs and adjusted EBITDA margin before Global Corporate costs. Financial expenses, income taxes, net earnings, adjusted net earnings, adjusted net earnings excluding amortization of intangible assets related to acquisitions, funds from operations and free cash flow are also reviewed, on a consolidated level, in sections 8.7 through 8.11.

8.3 Net Revenues

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 Asia, Australia and New Zealand). The following table/s provide a summary of the year-over-year changes in net revenues and number of employees, both by reportable segment and in total.

Q4

(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues* 2018	$264.7	$454.1	$576.1	$246.1	$1,541.0
Net revenues* 2017	$250.2	$493.1	$530.8	$204.5	$1,478.6
Net change %	5.8 %	(7.9)%	8.5 %	20.3 %	4.2 %
Organic Growth**	2.5 %	(13.5)%	4.5 %	0.5 %	(2.4)%
Acquisition Growth**	3.3 %	3.0 %	4.4 %	21.0 %	6.0 %
Foreign Currency Impact***	— %	2.6 %	(0.4)%	(1.2)%	0.6 %
Net change %	5.8 %	(7.9)%	8.5 %	20.3 %	4.2 %

* Non-IFRS measures are described in the 'Glossary' section
** Organic growth and acquisition growth are calculated based on local currencies
*** Foreign currency impact represents the foreign exchange component to convert total net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth

YTD

(in millions of dollars, except percentages and number of employees)	Canada	Americas	EMEIA	APAC	Total
Net revenues* 2018	$1,053.6	$1,758.2	$2,192.1	$1,016.7	$6,020.6
Net revenues* 2017	$977.4	$1,650.5	$1,984.7	$744.0	$5,356.6
Net change %	7.8 %	6.5 %	10.5 %	36.7 %	12.4 %
Organic Growth**	3.5 %	0.7 %	5.1 %	5.6 %	3.5 %
Acquisition Growth**	4.3 %	6.1 %	4.1 %	32.2 %	8.6 %
Foreign Currency Impact***	— %	(0.3)%	1.3 %	(1.1)%	0.3 %
Net change %	7.8 %	6.5 %	10.5 %	36.7 %	12.4 %
Approximate number of employees - 2018	7,900	12,400	19,100	8,300	47,700
Approximate number of employees - 2017	8,000	9,500	16,500	8,000	42,000
Net change %	(1.3)%	30.5 %	15.8 %	3.8 %	13.6 %

* Non-IFRS measures are described in the 'Glossary' section
** Organic growth and acquisition growth are calculated based on local currencies
*** Foreign currency impact represents the foreign exchange component to convert total net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth

The Corporation ended the fourth quarter of 2018 with net revenues of $1,541.0 million, an increase of $62.4 million, or 4.2% compared to Q4 2017. For the twelve-month period ended December 31, 2018, net revenues stood at $6,020.6 million, an increase of $664.0 million or 12.4% compared to the same period in 2017.

8.3.1 Canada

Net revenues from our Canadian operations were $264.7 million in Q4 2018, an increase of $14.5 million, or 5.8% compared to the same period in 2017. Acquisition growth and organic growth in net revenues stood at 3.3% and 2.5% , respectively. Acquisition growth in net revenues was attributable to the Canadian-based operations of Opus, acquired in Q4 2017.

For the twelve-month period ended December 31, 2018, net revenues from our Canadian operations stood at $1,053.6 million, an increase of $76.2 million, or 7.8% compared to the same period in 2017. Acquisition growth and organic growth in net revenues stood at 4.3% and 3.5%, respectively. Acquisition growth in net revenues was attributable to the Canadian-based operations of Opus, acquired in Q4 2017. The transportation & infrastructure and property & buildings market sectors accounted for approximately 65% of net revenues.

8.3.2 Americas

Net revenues from our Americas reportable segment were $454.1 million in Q4 2018, a decrease of $39.0 million, or 7.9% compared to the same period in 2017. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 3.0% and negative 13.5%, respectively, both in line with Management's expectations. The acquisition growth in net revenues was driven mainly from Latin American acquisitions made throughout 2017. The negative organic growth in net revenues stemmed mainly from anticipated lower FEMA-based net revenues from our US operations, compared to the same period in 2017. Foreign exchange had a positive impact due mainly to the depreciation of the Canadian dollar against the US dollar.

For the twelve-month period ended December 31, 2018, net revenues from our Americas reportable segment stood at $1,758.2 million, an increase of $107.7 million, or 6.5% compared to the same period in 2017. Acquisition growth and organic growth in net revenues stood at 6.1% and 0.7% , respectively. The acquisition growth in net revenues stemmed mainly from Latin American acquisitions made throughout 2017. Flat organic growth in net revenues for the year was due to lower anticipated FEMA-based net revenues from our US operations. The transportation & infrastructure and property & buildings market sectors accounted for approximately 81% of net revenues.

8.3.3 EMEIA

Net revenues from our EMEIA reportable segment were $576.1 million in Q4 2018, an increase of $45.3 million, or 8.5% compared to Q4 2017. Organic growth and acquisition growth in net revenues, on a constant currency basis, stood at 4.5% and 4.4%, respectively. Organic growth in net revenues was in line with Management's expectations and stemmed mainly from our UK and Nordic operations. Acquisition growth in net revenues was attributable to the UK-based operations of Opus, acquired in Q4 2017, as well as tuck-in acquisitions made in the Nordic region in 2017 and 2018.

For the twelve-month period ended December 31, 2018, net revenues from our EMEIA reportable segment stood at $2,192.1 million, an increase of $207.4 million, or 10.5% compared to the same period in 2017. Organic growth and acquisition growth in net revenues, on a constant currency basis, stood at 5.1% and 4.1%, respectively. Organic growth in net revenues was slightly above Management's expectations and stemmed mainly from our UK and Nordic operations. Acquisition growth in net revenues was attributable to the UK-based operations of Opus, acquired in Q4 2017 as well as tuck-in acquisitions made in the Nordic region in 2017 and 2018. Foreign exchange had a positive impact due mainly to the depreciation of the Canadian dollar against some European currencies, notably the British pound. The transportation & infrastructure and property & buildings market sectors accounted for approximately 82% of net revenues.

8.3.4 APAC

Net revenues from our APAC reportable segment were $246.1 million in Q4 2018, an increase of $41.6 million, or 20.3% when compared to the same period in 2017. Acquisition growth and organic growth in net revenues, both on a constant currency basis, stood at 21.0% and 0.5%, respectively. Acquisition growth stemmed mainly from the Corporation's acquisition of Opus in Q4 2017, whose majority of net revenues are derived from its New Zealand operations. Our Australian and Asian operations delivered results in line with Management's expectations.

For the twelve-month period ended December 31, 2018, net revenues from our APAC reportable segment stood at $1,016.7 million, an increase of $272.7 million, or 36.7% when compared to the same period in 2017. Acquisition growth and organic growth in net revenues, both on a constant currency basis, stood at 32.2% and 5.6%, respectively. Acquisition growth stemmed mainly from the Corporation's acquisition of Opus in Q4 2017, whose majority of net revenues are derived from its New Zealand operations. Our Australian operations posted strong organic growth in net revenues, ahead of Management's expectations. Our Asian operations posted negative organic growth in net revenues, as we continue to pursue our disciplined approach in managing our exposure to the property & buildings private market sector. The transportation & infrastructure and property & buildings market sectors accounted for approximately 89% of net revenues.

8.4 Backlog

Q4 2018

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$958.2	$3,452.1	$2,165.5	$1,102.9	$7,678.7

* Non-IFRS measures are described in the 'Glossary' section.

Q3 2018

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$1,003.9	$2,379.1	$1,956.3	$1,169.8	$6,509.1

* Non-IFRS measures are described in the 'Glossary' section.

Q4 2017

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog*	$1,064.6	$2,120.7	$1,966.1	$1,210.2	$6,361.6

* Non-IFRS measures are described in the 'Glossary' section

As at December 31, 2018, backlog stood at $7,678.7 million, representing 10.1 months of revenues, an increase of $1,169.6 million or 18.0% compared to Q3 2018, and an increase of $1,317.1 million, or 20.7% when compared to Q4 2017. The significant increase in backlog compared to Q3 2018 was mainly due to the acquisition of Louis Berger in December 2018. On a constant currency basis, the Corporation posted 2.3% backlog organic growth over Q3 2018 and 4.2% for the fiscal year. The timing of contract awards can have a significant impact on this metric. Major bidding activity in December 2018 resulted in significant contract awards for our Canada and APAC reportable segments, early in 2019.

Due to the size of certain contracts and the time periods required to complete them, large fluctuations may arise when comparing this metric on a quarter-to-quarter basis. Management believes that backlog should be viewed on a year-over-year basis, particularly when assessing organic growth at constant currency rates.

8.5 Expenses

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

	Q4		YTD	
	2018	2017	2018	2017
(percentage of net revenues)	For the period from September 30 to December 31	For the period from October 1 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Net revenues*	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	75.3 %	78.0 %	75.8 %	76.8 %
Occupancy costs	4.3 %	3.8 %	4.3 %	4.2 %
Other operational costs[1]	9.4 %	8.7 %	8.9 %	8.6 %
Share of earnings in associates	— %	— %	— %	— %
Adjusted EBITDA*	**11.0 %**	**9.5 %**	**11.0 %**	**10.4 %**
Acquisition and integration costs*	1.4 %	0.8 %	1.0 %	0.5 %
Amortization of intangible assets	1.9 %	1.9 %	1.7 %	1.7 %
Depreciation of property and equipment	1.6 %	1.5 %	1.5 %	1.5 %
Financial expenses	2.2 %	1.0 %	1.2 %	0.8 %
Share of depreciation of associates	— %	— %	— %	— %
Income tax expenses	1.1 %	2.2 %	1.3 %	1.9 %
Net earnings	**2.8 %**	**2.1 %**	**4.3 %**	**4.0 %**

* Non-IFRS measures are described in the 'Glossary' section
(1) Other operational costs include operation exchange loss or gain and interest income

Expenses consist of three major components: personnel costs, occupancy 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. Occupancy costs include rental and other related costs for the Corporation's office space occupied worldwide. Other operational costs include fixed costs such as, but not limited to, non-recoverable client services costs, technology costs, professional insurance costs, operational exchange gain or loss on foreign currencies and interest income.

Personnel costs for the quarter, as a percentage of net revenues, were lower compared to the same period in 2017, due in part, to lower US FEMA-based net revenues generated in 2018. In contrast, occupancy costs and other operational costs, which are more fixed in nature, increased as a percentage of net revenues in Q4 2018 compared to Q4 2017, due to the aforementioned lower US FEMA-based revenues generated in Q4 2018.

Personnel costs, occupancy costs and other operational costs as a percentage of net revenues, for the year, compared to 2017, were in line with Management's expectations.

Adjusted EBITDA margin stood at 11.0% for both the quarter and year-to-date periods, respectively, compared to 9.5% and 10.4% for the same corresponding periods in 2017.

The improvement in adjusted EBITDA margin, for the quarter, was mainly due to lower personnel costs as a percentage of net revenues, as noted above.

The improvement in adjusted EBITDA margin, for the year, was due to organic and acquisition growth in net revenues, solid utilization rates and overall cost containment efforts.

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

In 2018, the Corporation incurred acquisition and integration costs of $62.3 million. Excluding items related to events and transactions occurring subsequent to Management's provided outlook for 2018 totaling $12.9 million (see below), acquisition and integration costs for 2018 were in line with Management's expectations.

During 2018, the Corporation completed a number of business acquisitions, notably Louis Berger in the fourth quarter. Acquisition and integration costs related to acquisitions occurring subsequent to Management's provided outlook for 2018 amounted to $6.9 million.

Also, in the fourth quarter of 2018, on October 26, 2018, the High Court of Justice of England and Wales issued a judgment in a claim regarding the rights of female members of certain pension schemes to equality of treatment in relation to pension benefits. The judgment concluded the schemes should be amended to equalize pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment is anticipated to impact most Corporations with UK-based defined benefit pension schemes.

In light of the aforementioned judgment impacting UK-based defined benefit schemes, and with the help of its actuarial advisers, the Corporation recorded a preliminary past service cost of $6.0 million related to its legacy UK-based defined benefit pension schemes. Given the underlying nature of this prior period cost, the Corporation has elected to present this item within the Acquisition and integration costs caption in its consolidated statement of earnings, in line with its accounting policies.

In 2018, IT outsourcing program costs also formed part of Acquisition and integration costs. IT outsourcing program costs pertain mainly to non-recurring redundancy and transition costs resulting from the Corporation outsourcing its IT infrastructure and operations support. These IT outsourcing program costs were taken into consideration in the 2018 acquisition and integration costs outlook range of $40.0 million to $50.0 million provided by the Corporation in its MD&A for the year ended December 31, 2017.

Finally, the Corporation also incurs expenses such as amortization of intangible assets and depreciation of property and equipment. For both the quarter and twelve-month period ended December 31, 2018, these expenses remained stable when compared to the same periods in 2017.

8.6 Adjusted EBITDA by Reportable Segment

Q4 2018

(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$264.7	$454.1	$576.1	$246.1	$1,541.0
Adjusted EBITDA*					$169.5
Global Corporate costs					$21.6
Adjusted EBITDA before Global Corporate costs*	$42.6	$56.2	$61.1	$31.2	$191.1
Adjusted EBITDA Margin before Global Corporate costs*	16.1 %	12.4 %	10.6 %	12.7 %	12.4 %

* Non-IFRS measures are described in the 'Glossary' section

Q4 2017

(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$250.2	$493.1	$530.8	$204.5	$1,478.6
Adjusted EBITDA*					$140.0
Global Corporate costs					$16.0
Adjusted EBITDA before Global Corporate costs*	$34.8	$47.7	$51.8	$21.7	$156.0
Adjusted EBITDA Margin before Global Corporate costs*	13.9 %	9.7 %	9.8 %	10.6 %	10.6 %

* Non-IFRS measures are described in the 'Glossary' section

YTD 2018

(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$1,053.6	$1,758.2	$2,192.1	$1,016.7	$6,020.6
Adjusted EBITDA*					$660.0
Global Corporate costs					$87.3
Adjusted EBITDA before Global Corporate costs*	$147.1	$257.3	$225.4	$117.5	$747.3
Adjusted EBITDA Margin before Global Corporate costs*	14.0 %	14.6 %	10.3 %	11.6 %	12.4 %

* Non-IFRS measures are described in the 'Glossary' section

YTD 2017

(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	$977.4	$1,650.5	$1,984.7	$744.0	$5,356.6
Adjusted EBITDA*					$555.2
Global Corporate costs					$59.0
Adjusted EBITDA before Global Corporate costs*	$120.6	$220.2	$197.0	$76.4	$614.2
Adjusted EBITDA Margin before Global Corporate costs*	12.3 %	13.3 %	9.9 %	10.3 %	11.5 %

* Non-IFRS measures are described in the 'Glossary' section

Total adjusted EBITDA and consolidated adjusted EBITDA margin, both before Global Corporate costs, stood at $191.1 million and 12.4%, respectively, for the quarter, compared to $156.0 million and 10.6% for the same period in 2017.

For the twelve-month period ended December 31, 2018, total adjusted EBITDA and consolidated adjusted EBITDA margin, both before Global Corporate costs, stood at $747.3 million and 12.4%, respectively, compared to $614.2 million and 11.5% for the same period in 2017.

The increase in adjusted EBITDA and improvement in adjusted EBITDA margin, both before Global Corporate costs, pertaining to all of the Corporation's reportable segments, for Q4 and full year 2018, were in line with Management's expectations and were mainly due to organic and acquisition growth in net revenues, stable utilization rates and cost containment efforts.

The increase in adjusted EBITDA margin, before Global Corporate costs, for the America's reportable segment, for the fourth quarter of 2018 was also due, in part, to anticipated lower adjusted EBITDA margin FEMA-based net revenues generated in Q4 2018, compared to the same period in 2017.

Global Corporate costs, for the quarter and the twelve-month period ended December 31, 2018, stood at $21.6 million and $87.3 million, respectively, both in line with Management's expectations.

Numerous factors such as seasonality, project mix, pricing, competitive environments, project execution, cost increases, foreign exchange and employee productivity may have an impact on adjusted EBITDA margin before Global Corporate costs.

8.7 Financial Expenses

The Corporation's financial expenses relate mainly to interest expenses incurred on credit facilities, net finance expenses on pension obligations, exchange gains or losses pertaining to assets and liabilities in foreign currencies, gains or losses on other assets and unrealized foreign exchange gains or losses pertaining to financial instruments. The Corporation uses its credit facilities to manage its working capital, capital expenditures and to finance business acquisitions.

For both the quarter and twelve-month period ended December 31, 2018, financial expenses increased substantially as a percentage of net revenues when compared to the same periods in 2017, mainly due to unrealized losses incurred by the Corporation's US based employees' deferred compensation plan's financial assets (other assets). Prior to 2018, these costs, were recorded in the Corporation's consolidated statement of comprehensive income. Effective January 1, 2018, as a result of the adoption of *IFRS 9 - Financial instruments*, these costs now are recorded as financial expenses in the Corporation's consolidated statement of net earnings. Excluding the aforementioned unrealized losses incurred by the Corporation's US based employees' deferred compensation plan, financial expenses, as percentage of net revenues, remained stable when compared to the corresponding periods in 2017.

8.8 Income Taxes

In Q4 2018, an income tax expense of $16.3 million was recorded on earnings before income taxes of $59.7 million (net of income taxes attributable to minority interest of $0.1 million), representing an effective income tax rate of 27.3%, higher than Management's expectations. The higher than anticipated effective income tax rate for the quarter was due, in part, to non-deductible business acquisitions-related expenses.

For the twelve-month period ended December 31, 2018, an income tax expense of $80.5 million was recorded on earnings before income taxes of $329.3 million (net of income taxes attributable to minority interest of $0.2 million), representing an effective income tax rate of 24.4%, in line with the Corporation's previously disclosed full year tax rate range outlook of 23% to 25%.

8.9 Net Earnings and Net Earnings per Share

In Q4 2018, the Corporation's net earnings attributable to shareholders were $43.3 million, or $0.41 per share on a diluted basis, compared to $30.3 million, or $0.29 per share on a diluted basis for the same period in 2017. The increase in these metrics was mainly due to growth in net revenues, improvement in adjusted EBITDA margin and a lower effective tax rate.

For the twelve-month period ended December 31, 2018, the Corporation's net earnings attributable to shareholders were $248.1 million, or $2.38 per share on a diluted basis, compared to $213.3 million, or $2.08 per share on a diluted basis for the same period in 2017. The increase in these metrics was mainly due to the same factors attributable to the quarter.

Net earnings per share is a commonly used metric to measure a corporation's performance. However, Management believes that in the context of highly acquisitive companies or consolidating industries such as in engineering and construction, adjusted net earnings per share, adjusted net earnings excluding amortization of intangible assets related to acquisitions per share (due to the application of various accounting policies in relation to the allocation of purchase price to goodwill and intangible assets), funds from operations per share and free cash flow per share, are more effective measures to assess performance against its peer group. These measures are reviewed in sections 8.10 and 8.11.

8.10 Reconciliation of Net Earnings, Adjusted Net Earnings and Adjusted Net Earnings Excluding Amortization of Intangible Assets Related to Acquisitions

	Q4		YTD	
	2018	2017	2018	2017
(in millions of dollars, except number of shares and per share data)	For the period from September 30 to December 31	For the period from October 1 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Net earnings attributable to shareholders	**$43.3**	**$30.3**	**$248.1**	**$213.3**
Acquisition and integration costs*	$21.7	$12.3	$62.3	$28.4
Income taxes related to acquisition and integration costs	$(5.9)	$(3.2)	$(15.2)	$(7.8)
Adjusted net earnings*	**$59.1**	**$39.4**	**$295.2**	**$233.9**
Adjusted net earnings per share*	**$0.57**	**$0.38**	**$2.83**	**$2.28**
Amortization of intangible assets related to acquisitions	$21.3	$18.8	$71.1	$63.6
Income taxes related to amortization of intangible assets related to acquisitions	$(5.8)	$(4.9)	$(17.3)	$(17.4)
Adjusted net earnings excluding amortization of intangible assets related to acquisitions *	**$74.6**	**$53.3**	**$349.0**	**$280.1**
Adjusted net earnings excluding amortization of intangible assets related to acquisitions per share*	**$0.71**	**$0.52**	**$3.35**	**$2.73**
Basic weighted average number of shares	104,387,699	103,084,862	104,150,041	102,448,943

* Non-IFRS measures are described in the 'Glossary' section

Adjusted net earnings stood at $59.1 million, or $0.57 per share in Q4 2018, compared to $39.4 million, or $0.38 per share in Q4 2017. The increase in these metrics was mainly due to growth in net revenues, improvement in adjusted EBITDA margin and a lower effective tax rate.

Adjusted net earnings stood at $295.2 million, or $2.83 per share for the twelve-month period ended December 31, 2018, compared to $233.9 million, or $2.28 per share for the same period in 2017. The increase in these metrics was mainly due to the same factors attributable to the quarter.

Adjusted net earnings excluding amortization of intangible assets related to acquisitions stood at $74.6 million, or $0.71 per share in Q4 2018 compared to $53.3 million, or $0.52 per share, respectively, for the comparable period in 2017. The increase in these metrics was mainly due to growth in net revenues, improvement in adjusted EBITDA margin and a lower effective tax rate.

Adjusted net earnings excluding amortization of intangible assets related to acquisitions stood at $349.0 million, or $3.35 per share for the twelve-month period ended December 31, 2018 compared to $280.1 million, or $2.73 per share, respectively, for the comparable period in 2017. The increase in these metrics was mainly due to the same factors attributable to the quarter.

8.11 Funds From Operations and Free Cash Flow

	Q4		YTD	
	2018	2017	2018	2017
(in millions of dollars, except per share data and number of shares)	For the period from September 30 to December 31	For the period from October 1 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Cash flows from operating activities	$337.4	$330.4	$669.7	$395.4
Excluding:				
Change in non-cash working capital items	195.1	$219.0	$174.4	$(37.8)
Funds from operations*	**$142.3**	**$111.4**	**$495.3**	**$433.2**
Funds from operations per share*	**$1.36**	**$1.08**	**$4.76**	**$4.23**
Including:				
Change in non-cash working capital items	195.1	$219.0	$174.4	$(37.8)
Less:				
Net capital expenditures**	$47.0	$31.8	$122.3	$99.3
Free cash flow*	**$290.4**	**$298.6**	**$547.4**	**$296.1**
Free cash flow per share*	**$2.78**	**$2.90**	**$5.26**	**$2.89**
Basic weighted average number of shares	104,387,699	103,084,862	104,150,041	102,448,943

* Non-IFRS measures are described in the "Glossary" section
** Capital expenditures pertaining to property, plant and equipment and intangible assets, net of proceeds from disposal

8.11.1 Funds from Operations

Funds from operations is a measure used by the Corporation to provide Management and investors with a proxy of cash generated from operating activities before change in non-cash working capital items.

In Q4 2018, the Corporation generated funds from operations of $142.3 million, or $1.36 per share, compared to $111.4 million or $1.08 per share in Q4 2017. The increase in funds from operations was mainly due to higher EBITDA achieved during in Q4 2018 compared to Q4 2017.

For the twelve-month period ended December 31, 2018, the Corporation generated funds from operations of $495.3 million, or $4.76 per share, compared to $433.2 million or $4.23 per share for the same period in 2017. The increase in funds from operations was mainly due to higher EBITDA achieved in 2018.

8.11.2 Free Cash Flow

Free cash flow is an indication of the Corporation's continuing capacity to generate discretionary cash from operations and other activities. It represents cash flows for the period available for the suppliers of capital, which are the Corporation's creditors and shareholders.

For the fourth quarter of 2018, the Corporation's free cash flow was $290.4 million, or $2.78 per share compared to $298.6 million, or $2.90 per share in Q4 2017. The decrease in free cash flow was due, in part, to the increase in net capital expenditures when comparing Q4 2018 to Q4 2017.

The Corporation generated free cash flow of $547.4 million, or $5.26 per share for the twelve-month period ended December 31, 2018, compared to $296.1 million or $2.89 per share for the same period in 2017. The increase in free cash flow was mainly due to the significant improvement in change in non-cash working capital items during the period.

Free cash flow for the year stood at $547.4 million, or 220.6% of net earnings attributable to shareholders, ahead of Management's expectations, mainly due to improved working capital management.

09
Liquidity

	Q4		YTD	
	2018	2017	2018	2017
(in millions of dollars)	For the period from September 30 to December 31	For the period from October 1 to December 31	For the period from January 1 to December 31	For the period from January 1 to December 31
Cash flows generated from (used in) operating activities	$337.4	$330.4	$669.7	$395.4
Cash flows generated from (used in) financing activities	$293.3	$(76.3)	$77.7	$(52.6)
Cash flows from (used in) investing activities	$(556.6)	$(260.3)	$(678.1)	$(394.5)
Effect of exchange rate change on cash	$8.2	$5.0	$6.0	$(0.2)
Net change in cash	**$82.3**	**$(1.2)**	**$75.3**	**$(51.9)**
Dividends paid	**$18.8**	**$18.2**	**$78.1**	**$70.4**
Net capital expenditures	**$47.0**	**$31.8**	**$122.3**	**$99.3**

9.1 Operating Activities

Cash generated from operating activities in Q4 2018 stood at $337.4 million, stable when compared to $330.4 million in Q4 2017.

Cash generated from operating activities for the twelve-month period ended December 31, 2018 was $669.7 million, compared to $395.4 million for the same period in 2017. The increase in funds from operations was mainly due to the significant improvement in change in non-cash working capital items during the period.

9.2 Financing Activities

For the fourth quarter of 2018, cash generated from financing activities was $293.3 million, compared to cash used $76.3 million in Q4 2017. During the quarter, the Corporation drew $335.2 million from its credit facility, repaid $23.1 million in miscellaneous liabilities, including interest and paid dividends to shareholders of $18.8 million. In Q4 2017, the Corporation issued shares for $0.3 million, repaid $33.4 million pertaining to its credit facility, repaid $25.0 million in miscellaneous liabilities, including interest and paid dividends to shareholders of $18.2 million.

For the twelve-month period ended December 31, 2018, cash generated from financing activities was $77.7 million, compared to cash used in financing activities of $52.6 million for the same period in 2017. During the twelve-month period, the Corporation issued shares for $1.4 million, drew $217.7 million from its credit facility, repaid $63.3 million in miscellaneous liabilities, including interest and paid dividends to shareholders of $78.1 million. For the same period in 2017, the Corporation issued shares for $2.6 million, drew $66.8 million from its credit facility, repaid $51.6 million in miscellaneous liabilities, including interest and paid dividends to shareholders of $70.4 million.

9.3 Investing Activities

For the fourth quarter of 2018, cash used in investing activities was $556.6 million, compared to $260.3 million in Q4 2017. The Corporation disbursed cash pertaining to past and present year/s business acquisitions of $509.7 million and acquired $49.2 million in equipment and intangible assets in Q4 2018, compared to $227.8 million and $34.4 million, respectively, for the same period in 2017.

For the twelve-month period ended December 31, 2018, cash used in investing activities was $678.1 million, compared to $394.5 million for the same period in 2017. During the twelve-month period, the Corporation disbursed cash pertaining to past and present year/s business acquisitions of $556.7 million and acquired $126.8 million in equipment and intangible assets in 2018, compared to $291.9 million and $104.1 million, respectively, for the same period in 2017.

9.4 Net Debt

	2018	2017
(in millions of dollars)	As at December 31	As at December 31
Financial liabilities [(1)]	$1,524.7	$1,229.9
Less: Cash	$(254.7)	$(185.1)
Net debt*	$1,270.0	$1,044.8
Trailing twelve months adjusted EBITDA*	$660.0	$555.2

* Non-IFRS measures are described in the 'Glossary' section
(1) Financial liabilities consist of long-term debt and other financial liabilities, including current portions.

As at December 31, 2018, 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 $1,270.0 million and a trailing twelve-month net debt to adjusted EBITDA ratio of 1.9x. Incorporating a full twelve-month adjusted EBITDA for all acquisitions, the ratio also at 1.8x.

9.5 Dividends

On November 7, 2018, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 31, 2018, which was paid on January 15, 2019. As at December 31, 2018, 104,441,416 shares were issued and outstanding, compared to 103,160,592 as at December 31, 2017. During the fourth quarter of 2018, part of the third quarter dividend paid was reinvested into 312,230 common shares under the DRIP. The aggregate dividends declared in the fourth quarter of 2018 were $39.2 million, compared to $39.1 million for the third quarter of 2018. Holders of 52,307,735 shares, representing 50.1% of all outstanding shares as at December 31, 2018, elected to participate in the DRIP. As a result, from the total dividends paid on January 15, 2019, $19.6 million was reinvested in shares of the Corporation. The net cash outflow, on January 15, 2019, was $19.6 million for the fourth quarter dividend payment.

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 requirements, financial performance, liquidity, and other factors that the Board may deem relevant. 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 the "Forward-Looking Statements" section of this MD&A.

9.6 Stock Options

As at March 13, 2019, 966,411 stock options were outstanding at exercise prices ranging from $35.12 to $59.75.

9.7 Capital Resources

(in millions of dollars)	2018 As at December 31	2017 As at December 31
Cash	$254.7	$185.1
Available syndicated credit facility	$918.0	$584.7
Other operating credit facilities	$101.9	$80.2
Available short-term capital resources	$1,274.6	$850.0

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 and provide its shareholders with a return on their investment.

9.8 Credit Facility

The Corporation has in place, as at December 31, 2018, 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 (i) for general corporate purposes, working capital and capital expenditure requirements of the Corporation, and (ii) for financing future business acquisitions. Under this credit facility, the Corporation is required, among other conditions, to respect certain covenants 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. 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 December 31, 2018.

10
Eight Quarter Summary

		2018				2017			
	Total	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(in millions of dollars, except per share data)	Trailing twelve months	For the period from September 30 to December 31	For the period from July 1 to September 29	For the period from April 1 to June 30	For the period from January 1 to March 31	For the period from October 1 to December 31	For the period from July 2 to September 30	For the period from April 2 to July 1	For the period from January 1 to April 1
Results of operations									
Revenues	$7,908.1	$2,043.9	$1,927.6	$2,025.9	$1,910.7	$1,954.3	$1,636.8	$1,717.2	$1,633.9
Net revenues*	$6,020.6	$1,541.0	$1,468.8	$1,541.1	$1,469.7	$1,478.6	$1,286.2	$1,315.9	$1,275.9
Adjusted EBITDA*	$660.0	$169.5	$187.5	$169.5	$133.5	$140.0	$160.4	$140.3	$114.5
Net earnings attributable to shareholders	$248.1	$43.3	$87.7	$67.4	$49.7	$30.3	$72.6	$62.8	$47.6
Basic net earnings (loss) per share		$0.41	$0.84	$0.65	$0.48	$0.29	$0.71	$0.61	$0.47
Diluted net earnings per share		$0.41	$0.84	$0.65	$0.48	$0.29	$0.71	$0.61	$0.47
Backlog*		$7,678.7	$6,509.1	$6,706.9	$6,718.8	$6,361.6	$5,963.9	$5,864.6	$5,985.3
Dividends									
Dividends declared	$156.0	$39.2	$39.1	$38.9	$38.8	$38.7	$38.5	$38.4	$38.2
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

* Non-IFRS measures are described in the "Glossary" section

11

Analysis of Selected Annual Information

(in millions of dollars, except per share data)	2018	2017	2016
Revenues	$7,908.1	$6,942.2	$6,379.6
Net revenues*	$6,020.6	$5,356.6	$4,895.1
Net earnings attributable to shareholders	$248.1	$213.3	$199.1
Net earnings per share attributable to shareholders			
Basic	$2.38	$2.08	$1.97
Diluted	$2.38	$2.08	$1.97
Total assets	$7,766.6	$6,523.6	$6,128.7
Financial liabilities (1)	$1,524.7	$1,229.9	$1,082.1
Dividends declared to shareholders	$156.0	$153.8	$150.8

* Non-IFRS measures are described in the "Glossary" section.
(1) Financial liabilities consist of long-term debt and other financial liabilities, including current portions.

Revenues, net revenues, net earnings attributable to shareholders and net earnings per share attributable to shareholders all increased mainly through organic growth and acquisitions completed in 2017 and 2018. All acquisitions had a direct impact not only on revenues but also on total assets since assets acquired, including intangible assets and goodwill, are recorded after each acquisition.

Financial liabilities increased from 2016 to 2018 as the Corporation financed its acquisitions, in part, with its credit facility.

In 2016, 2017 and 2018, the Corporation declared and paid quarterly dividends totaling $1.50 per common share annually to its shareholders.

12

Governance

12.1 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 evaluated or caused to be evaluated under their supervision, the effectiveness of the Corporation's DC&P and based on the evaluation, the CEO and CFO have concluded that the design and operation of the Corporation's DC&P were effective as at December 31, 2018.

The CEO and CFO have also designed internal controls over financial reporting ("ICFR") or have caused ICFR to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Based on their evaluation carried out to assess the effectiveness of the Company's ICFR, the CEO and

CFO have concluded that ICFR were designed and operated effectively as at December 31, 2018 using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework).

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.

The CEO and the CFO have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of the Irwinconsult and Louis Berger business acquisitions which were completed on December 5, 2018 and December 18, 2018, respectively, as permitted by the Canadian Securities Administrators' National Instrument 52-109 for 365 days following an acquisition.

There were no changes in the Corporation's ICFR that occurred during the period beginning on September 30, 2018 and ended on December 31, 2018, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. Controls will continue to be periodically analyzed in order to sustain a continuous improvement.

12.2 Responsibilities of the Board of Directors

The Board has oversight responsibilities for reported information. Accordingly, the Audit Committee and the Board of WSP have reviewed and approved the audited consolidated financial statements for the years ended December 31, 2018, and 2017, and this MD&A, before their publication.

13 Significant Accounting Policies

The Corporation's significant accounting policies are described in notes 2 and 3 of its audited consolidated financial statements for the year ended December 31, 2018.

The preparation of the financial statements requires Management to make estimates and judgments that affect the reported amounts of assets and liabilities and equity and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgments 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. The following discussion sets forth Management's:

- Most critical estimates and assumptions in determining the value of assets and liabilities; and
- Most critical judgments in applying accounting policies.

Critical Accounting Estimates and Assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Cost and anticipated profits in excess of billings

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Changes in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

Identifiable intangible assets and goodwill

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $3,794.6 million of total assets on the consolidated statement of financial position as at December 31, 2018 ($3,267.1 million as at December 31, 2017). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital.

Intangible assets related to business combinations and recognized separately from goodwill are initially recognized at their fair value at the acquisition date and are amortized with determined finite lives. If results differ from estimates, the Corporation may be required to increase amortization or impairment charges.

Claims provisions

In the normal course of business the Corporation faces legal proceedings for work carried out on projects. The Corporation has professional liability insurance in order to manage risks related to such proceedings. Management estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Final settlements could have an effect on the financial position or operating results of the Corporation.

Retirement benefit obligations

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management.

Income taxes

The Corporation is subject to income tax laws and regulations in several jurisdictions. An estimate is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Critical Judgements in Applying the Corporation's Accounting Policies

Deferred income tax assets

The assessment of the probability of future taxable income in which deferred income tax assets can be utilized is based on the Corporation's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Corporation operates are also carefully taken into consideration. The recognition of deferred income tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on the specific facts and circumstances.

14
Future Accounting Standards

The following standards have been issued, but were not yet effective as at December 31, 2018:

IFRS 16 - Leases

In January 2016, the IASB issued *IFRS 16 - Leases*, which sets out new principles for the recognition, measurement and disclosure of leases. This standard supersedes *IAS 17 - Leases*, and other leases-related interpretations, eliminates the classification of leases as either operating or finance type leases and introduces a single lessee accounting model.

This single lease accounting model will result in the recognition of a right-to-use asset, as well as a lease liability reflecting the present value of the future lease payments. Depreciation expense on the right-to-use asset, or right-to use asset expense, and interest expense on the lease liability will replace the operating lease expenses that were recognized under *IAS 17 - Leases*.

IFRS 16 - Leases permits two possible transition methods for its application: a) retrospective with restatement of prior reporting period presented or b) retrospectively with the cumulative effect of initially applying the standard recognized on the date of initial application (modified retrospective method). The Corporation intends to adopt *IFRS 16 - Leases* using the modified retrospective method.

The Corporation expects that the adoption and application of *IFRS 16 - Leases*, effective January 1, 2019, will result in a material increase to its assets and liabilities through the recognition of right-to-use assets and lease liabilities, estimated to range between $1,000 million and $1,200 million.

IFRIC 23, Uncertainty over income tax treatments

In June 2017, the IFRS Interpretations Committee issued *IFRIC 23* which clarifies how the recognition and measurement requirements of *IAS 12 - Income Taxes*, are applied where there is uncertainty over income tax treatments.

The Corporation has assessed and concluded the impact from the adoption of this accounting interpretation on its financial statements will not be significant.

There are no other IFRS (or IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Corporation.

15 Financial Instruments

Foreign currency risk

The Corporation operates internationally which significantly increases its exposure to the currency risk arising from its operating activities denominated in US dollars, Sterling pounds, Swedish kronas and Euros and to its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in the same currencies. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates, and where a change in exchange rates would have a direct impact on net earnings of the Corporation.

The Corporation uses some financial instruments to manage the exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading purposes. Foreign exchange translation gains and losses on net investments and the effective portions of gains and losses on instruments hedging the net investments are recorded in the consolidated statement of comprehensive income.

In order to reduce the risk related to fluctuation in foreign currency exchange rates, the Corporation designated long term debt denominated in US dollars and Sterling pounds as the hedging instrument of net investments in US dollars and Sterling pounds.

Credit risk

The Corporation's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of expected credit losses, estimated by the Corporation's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Corporation does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all its customers and estimates a potential credit loss when the likelihood of collecting the account has significantly diminished. The Corporation believes that the credit risk of accounts receivable is limited.

The Corporation mitigates its credit risk by providing services to diverse clients in various industries, countries and sectors of the economy.

16 Related Party Transactions

The Corporation has control over its subsidiaries and they are consolidated in the consolidated financial statements. Some management agreements are in place with structured entities. These entities provide different services, mainly in the architecture industry. These management agreements provide the Corporation with control over the management and operations of these entities. The Corporation also receives a management fee and has an obligation regarding their liabilities and losses. Based on these facts and circumstances, Management has concluded that these entities are controlled by the Corporation and, therefore, consolidated them in the financial statements.

Transactions among subsidiaries and structured entities are entered into in the normal course of business and on an arm's length basis. All intercompany balances and operations are eliminated.

The Corporation conducts certain activities in joint arrangements which qualify as joint operations. These joint operations are accounted by the Corporation recording its pro rata share of the assets, liabilities, revenues, costs and cash flows using the most recent financial statements of these joint arrangements available.

Transactions with subsidiaries, structured entities, associates and joint arrangements are further described in the Corporation's audited consolidated financial statements for the year ended December 31, 2018.

Key management personnel have the authority and the responsibility to plan, direct and control the activities of the Corporation. They include the President and CEO and the members of the global leadership team. Total compensation paid or payable to key management personnel in 2018 was $31.4 million.

17

Off-Balance Sheet Agreements

The Corporation does not engage in the practice of off-balance sheet financing, except for the use of certain operating leases for office space, computer equipment, vehicles and letters of credit. In accordance with IFRS, neither the lease liability nor the underlying asset is carried on the balance sheet as the terms of the leases do not meet the criteria for capitalization.

18

Contractual Obligations

The following tables provide a summary of the Corporation's long-term contractual obligations (including interest):

(In millions of dollars)	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
Long-term debts*	$44.0	$297.0	$308.6	$1,077.4	$—	$—	$1,727.0
Other non-current financial liabilities*	$15.1	$7.2	$—	$—	$—	$—	$22.3

* Including current portion

(In millions of dollars)	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
Operating lease commitments	$253.0	$230.1	$207.0	$182.6	$158.7	$391.6	$1,423.0

The Corporation is committed under the terms of contractual obligations with various expiration dates, primarily for the rental of office space and computer equipment.

The Corporation generates cash flows from its operations and has available credit facilities to meet all of its contractual obligations in the future.

19 Outlook

This outlook is provided on March 13, 2019, as part of the 2018 MD&A in relation to the year ended December 31, 2018 financial results to assist analysts and shareholders in formalizing their respective views on 2019. The reader is cautioned that using this information for other purposes may be inappropriate. These measures are subject to change. The information set out in this section constitutes forward-looking information. Please refer to the "Forward-Looking Statements" section of this MD&A.

The following table summarizes our expected ranges for various measures for 2019 as at March 13, 2019:

	2019 TARGET RANGE
Net revenues*	Between $6,600 million and $6,900 million
Adjusted EBITDA*	Between $740 million and $790 million [(1)]
Seasonality and adjusted EBITDA* fluctuations	Between 18% and 30%, Q1 being the lowest and Q3 being the highest
Effective tax rate	26% to 28%
DSO*	78 to 83 days
Net capital expenditures **	Between $120 million and $135 million
Net debt to adjusted EBITDA*	1.5x to 2.5x [(2)]
Acquisition, integration and restructuring costs*	Between $30 million and $40 million

* Non-IFRS measures are described in the "Glossary" section.
** Capital expenditures pertaining to property, plant and equipment and intangible assets, net of proceeds from disposal.
(1) Excludes any potential IFRS 16 impact.
(2) Target excluding any debt required to finance potential 2019 acquisitions.

The target ranges presented in the preceding table were prepared assuming no fluctuations in foreign exchange rate in markets in which the Corporation operates. In the 2019 forecast, the Corporation considered numerous economic and market assumptions regarding the competition, political environment and economic performance of each region where it operates. In preparing its 2019 forecast, the Corporation also assumed that economic factors and market competition in regions where it operates would remain stable.

The forecast was prepared using tax rates enacted as of December 31, 2018, in the countries in which the Corporation currently operates and assumed no change in the tax law applicable to such countries. In the 2019 forecast, the Corporation did not consider any dispositions, mergers, business combinations and other transactions that may occur after the publication of this March 13, 2019 MD&A. The Corporation cautions that the assumptions used to prepare the 2019 forecast could be incorrect or inaccurate. Accordingly, the Corporation's actual results could differ materially from the Corporation's expectations as set out in this MD&A.

For 2019, the Corporation anticipates consolidated organic growth in net revenues, spanning across all reportable segments, on a constant currency basis, in the 2% to 5% range.

Global Corporate costs for 2019 are expected to range between $90 million and $95 million. The increase in Global Corporate costs over 2018 is mainly as a result of the acquisition of Louis Berger in Q4 2018. Global Corporate costs quarterly run rate will range between $20 and $25 million, leaning towards the higher end of the range in the first half of the year, as anticipated synergies will only materialize in the latter half of 2019.

Reportable Segment Outlook

Canada

With a solid 2018 performance and a strong transportation & infrastructure market sector pipeline, the Corporation anticipates organic growth in net revenues for its Canadian operations to range in the low to mid single digits. Continuous operational optimization and an investment in an associate obtained through the acquisition of Louis Berger should lead to an improved adjusted EBITDA margin before Global Corporate costs.

Americas

The Corporation anticipates a strong year for the Americas reportable segment. An expanding transportation & infrastructure market sector in the US should provide a solid base for the reportable segment as a whole.

A year after multiple acquisitions in the Latin American region, the Corporation is entering the final stages of their integration. Organic growth in net revenues for the region is anticipated to be flat, with some improvement in operating margins.

On a consolidated basis, we anticipated organic growth in net revenues for the Americas reportable segment in the mid to high single digits.

EMEIA

The EMEIA reportable segment, as a whole, is anticipated to deliver organic growth in net revenues in the low single digits in 2019, mirroring the expectations for our UK and Nordic operations.

After several years of strong organic growth in net revenues in the Nordic region, economic indicators point towards a cooling off period for Sweden and Scandinavia. In light of the numerous tuck-in acquisitions made over the last few years, focus for the region in 2019 will be on operating margin improvement.

In the UK, prospects from the public sector remain solid. However, concerns over Brexit and its potential negative impact on private sector activity level, has lead us to a slightly more cautious outlook when compared to 2018, and therefore anticipate organic growth in net revenues in the low single digits for the region.

Central Europe, the Middle East and South Africa, combined, are anticipated to deliver single digit negative organic growth in net revenues in 2019 due to challenging economic conditions in those regions. Net revenues for these three regions combined amounted to less than 7% of the Corporation's total 2018 net revenues.

APAC

The Corporation anticipates another solid year from its Australian operation with organic growth in net revenues to range in the mid to high single digits, stemming from several large project wins in the transportation & infrastructure market sector obtained early in 2019 and a strong pipeline

Our New Zealand operations, now representing approximately a quarter of APAC's net revenues, are anticipated to post organic growth in net revenues in the mid single digits, derived mainly from the region's transportation & infrastructure market sector.

Our Asian operations posted negative organic growth in net revenues in 2018. We anticipate organic growth in net revenues for 2019 to range in the flat to single digit range for Asia as a whole, as we continue our approach to disciplined business development.

On a consolidated basis, we anticipate the APAC region to deliver organic growth in net revenues in the mid single digits.

20 Forward-Looking Statements

In addition to disclosure of historical information, the Corporation makes or provides 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, including future-oriented financial information, 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 contains forward-looking statements, including the Outlook in section 19. 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 March 13, 2019, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements.

In evaluating these forward-looking statements, investors should specifically consider various factors, including but not limited to the following risk factors discussed in greater detail in section 21 of the 2018 MD&A: "Global Operations"; "Reputational Risk"; "Environmental, Health and Safety Risks and Hazards"; "Non-Compliance with Laws or Regulations"; "Systems, Network Infrastructure and Data Failure, Interruption and Breach"; "Changes to Backlog"; "Revenues from Contracts with Government Agencies"; ; "Controls and Disclosure"; "Risk of Future Legal Proceedings"; "Growth by Acquisitions"; "Acquisition Integration and Management"; "Challenges Associated with Size"; "Risks Associated with Professional Services Contracts"; "Joint Arrangements" "Economic Environment"; "Reliance on Suppliers and Subcontractors"; "Availability and Retention of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Work Stoppage and Labour Disputes"; "Insurance Limits"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Competition in the Industry"; "Changes to Regulations"; "Increased Awareness of Environmental Factors"; "Deterioration of Financial Position or Net Cash Position"; "Working Capital Requirements"; "Accounts Receivable"; "Increased Indebtedness and Raising Capital"; "Impairment of Goodwill"; "Foreign Currency Exposure"; "Income Taxes"; "Underfunded Defined Benefits Obligations"; "Potential Dilution"; "Potential Issuance of Preferred Shares"; "Risks Related to Forward-Looking Statements" as well as other risks detailed from time to time in reports filed by the Corporation with securities regulators, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

Forward-looking statements made by the Corporation are based on a number of assumptions believed by the Corporation to be reasonable as at March 13, 2019, 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; 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 are set out throughout this MD&A (particularly, in the section entitled Outlook). If these assumptions prove to be inaccurate, the Corporation's actual results could differ materially from those expressed or implied in such forward-looking statements.

Actual results and events may be significantly different from what we currently expect because of the risks associated with our business, industry and global economy and of the assumptions made in relation to these risks. As such, there can be no assurance that actual results will be consistent with forward-looking statements. The Corporation does not necessarily 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.

21
Risk Factors

The Corporation's results of operations, business prospects, financial position and achievement of its Global Strategic Plan are subject to a number of risks and uncertainties and are affected by a number of factors which could have a material adverse effect on the Corporation's business, financial condition or future prospects. 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 shares or adversely affect the Corporation's ability to declare dividends on the shares.

This section describes the risks we consider as the most material to our business. This is not, however, a comprehensive list of the potential risks we currently or could eventually face. Risks and uncertainties not presently known to the Corporation or that the Corporation currently considers as not material could become material in the future or impair its business operations.

Risks Related to the Business

Global Operations

Our business is dependent on the continued success and growth of our international operations, and Management expects international operations to continue to account for a significant portion of the Corporation's total revenues, which subjects the Corporation to a variety of risks, including:

— general social, economic and political conditions or instability in one or more specific foreign

— markets and/or globally, including recessions, political changes or disruptions and other economic

— crises in one or more markets in which the Corporation operates;

— risks related to complying with a wide variety of local, national, and international laws, together

— with potential adverse or significant changes in laws and regulatory framework and practices;

— difficulty or expense in enforcing contractual rights due to a lack of a developed legal system or other factors in certain jurisdictions;

— the difficulties and costs of staffing and managing global operations and changes in labour conditions;

— difficulties, delays and expense that may be experienced or incurred in connection with the movement of personnel through the customs and immigration authorities of various jurisdictions;

— a greater risk of uncollectible accounts and longer collection cycles;

— fluctuations in exchange rates;

— multiple and possibly overlapping tax structures;

— exchange controls and other funding restrictions and limitations on the Corporation's ability to repatriate cash, funds or capital invested or held in jurisdictions outside Canada;

— international hostilities and terrorism; and

— cultural, logistical and communications challenges.

Reputational Risk

To remain competitive, the Corporation depends to a large extent on its relationships with its clients and its reputation for high-quality professional services and as a professional services firm that complies with the highest ethical standards. This positive reputation plays an important role in the Corporation's long-term success and is crucial for it to continue to compete effectively and maintain its goodwill. The failure of the Corporation to meet its clients' expectations in the course of a project, including the possibility of a catastrophic failure or incident affecting such a project, could have a negative impact on how it is perceived in the market. The Corporation has already made specific disclosures about investigations, allegations and findings of inappropriate conduct with respect to some of its activities, directors, officers and employees. Further, the Corporation's failure to comply with applicable laws, regulations or generally recognized and accepted guidelines on corporate, environmental, social and governance responsibilities, or commitment of any acts of misconduct or corruption, illegal political contributions, alleged or proven non-compliance with laws or regulations, anti-competitive or criminal acts by its officers, employees, agents and/or partners or other ethics-related acts or omissions could negatively impact the Corporation's reputation. Harm to the Corporation's reputation could also arise from a number of other factors, including questions surrounding competence, actual or alleged quality, timing or performance issues on its projects, a poor health and safety record or the accuracy and quality of financial reporting and public disclosure. Any negative publicity about, or significant damage to, the Corporation's reputation and image could have an adverse impact on client perception and confidence and may result in the cancellation of current projects and adversely impact its ability to obtain future projects. Also, the pervasiveness and viral nature of social media could exacerbate any negative publicity with respect to our business.

Environmental, Health and Safety Risks and Hazards

The Corporation's Environmental, Health and Safety systems are aimed at reducing risks to people, the environment, and its business; however, many employees are subject to environmental, health, and safety risks in the course of their employment. A number of these risks could result in personal injury, loss of life, or environmental and other damage to the Corporation's property or the property of others. Alternatively, the Corporation could be exposed to civil and/or statutory liability to employees, as well as reputational harm, arising from injuries or deaths because of inadequate health and safety policies and practices. The Corporation cannot fully protect against all these risks, nor are all these risks insurable. The Corporation may become liable for damages arising from these events against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. Furthermore, the Corporation risks incurring additional costs on projects that have sustained environmental, health, and safety hazards because they may require additional time to complete or because employee time may be lost due to injury.

Non-Compliance with Laws or Regulations

The Corporation faces risks relating to non-compliance with laws, including anti-corruption, trade restrictions, securities regulation, antitrust, data privacy and labour relations laws, as well as related to corruption within its operations, anti-competitive acts, illegal political contributions, and ethics-related issues and their potential negative impact on the Corporation's results. Although the Corporation has control measures and policies to mitigate these risks, these control measures and policies have inherent limitations, including human error, and could be intentionally circumvented or become inadequate as conditions change. Our control measures may not be sufficiently effective to protect the Corporation from the consequences of such acts committed by its current and former directors, officers, employees, agents and/or partners, corruption in connection with its operations and ethics-related issues. Accordingly, fraud, corruption and other reckless or criminal acts may occur and remain undetected, resulting in a loss of assets and/or misstatement in the Corporation's financial statements and related public disclosure.

Moreover, fraud, corruption, misconduct, illegal political contributions, non-compliance with previously enacted or proposed laws or regulations, anti-competitive or other reckless or criminal acts by the Corporation's current or former directors, officers, employees, agents and/or partners, including those of businesses acquired by the Corporation could subject the Corporation to fines and penalties, criminal, civil and administrative legal sanctions and suspension from its ability to bid, enter into or perform public or private contracts, resulting in reduced revenues and profits, and could materially damage the Corporation's business, operating results, financial condition, reputation, brand, international expansion effort, and ability to attract and retain employees and clients, and may have a negative impact on the market price of the Corporation's shares. The institution of formal charges with respect to any such circumstances by appropriate governmental authorities may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and goodwill of the Corporation.

As part of its global business dealings with different governmental bodies, entities and agencies in each of the countries in which the Corporation operates, WSP must also comply with complex public procurement laws and regulations aimed at ensuring that public sector bodies award contracts in a transparent, competitive, efficient and non-discriminatory way in these jurisdictions. These rules can also provide for verification processes and disclosure requirements, among others matters. In addition, WSP may be required to obtain authorizations or certifications in order to enter into contracts with governmental bodies, entities and agencies in certain jurisdictions, which authorizations or certifications may be revoked in a variety of circumstances, including at the discretion of a governmental authority or if the Corporation or its affiliates or directors or officers are convicted of an offense. If the Corporation fails to comply with these laws and regulations or the terms of these authorizations or certifications or if the Corporation, its directors, officers, employees or agents commit legal violations or misconduct specified in any of these rules, the Corporation could be subject to mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with these governmental bodies, entities and agencies or within certain jurisdictions, in addition to fines, penalties and other sanctions that could be imposed on the Corporation. Upon conviction of an offense the Corporation could be debarred from participating in procurements with governmental bodies, entities and agencies for extended periods of time and suffer significant damage to its reputation. The disqualification of the Corporation from public contracts, the conviction of the Corporation with respect to certain offenses or the institution of formal charges with respect to such offenses in any jurisdiction in which it has operations or carries out business activities could impact its ability to bid, enter into or perform public contracts or subcontracts in that and other jurisdictions.

In certain jurisdictions in which the Corporation operates, the Corporation is also subject to legislation that grants governmental authorities exceptional measures for the reimbursement and recovery of amounts improperly obtained as a result of fraud or fraudulent tactics in the course of the tendering, awarding or management of public contracts. In connection with a reimbursement or settlement under such legislation, a number of conditions may be imposed on the Corporation and the Corporation may be required to undergo certain changes to its business practices which could impose additional costs on the Corporation and adversely affect its ability to pursue business opportunities.

Systems, Network Infrastructure and Data Failure, Interruption and Breach

The Corporation heavily relies on information systems, communications technology, design software, business applications and other technology applications and systems, including global and regional networks, complex server infrastructure and operating systems, in order to operate properly and ensure service delivery and revenues. If the Corporation is unable to continually maintain, scale and add software and hardware, effectively upgrade its systems and network infrastructure, maintain key information technology personnel, and take other steps to improve the efficiency of and protect its systems, the Corporation's operation systems could be interrupted or delayed.

In addition, the Corporation's computer and communications systems and operations could be damaged or interrupted by natural disasters, telecommunications failures, acts of war or terrorism, computer viruses, physical or electronic security breaches, or similar events or disruptions. The Corporation also faces the threat of unauthorized system access, computer hackers, malicious code and organized cyber-attacks. The Corporation devotes significant resources to the security of its computer systems by investing in and improving its threat protection, detection and mitigation policies, procedures and controls. However, given the highly evolving nature of cyber or other security threats or disruptions and their increased frequency, the measures it takes to protect against all information infrastructure risks may prove in some circumstances to be inadequate to prevent the improper disclosure, loss, theft, misappropriation of, unauthorized access to, or destruction of information, or service interruptions. Anyone who circumvents security measures could misappropriate proprietary or confidential information relating to our business or personal employee information or cause interruptions or malfunctions in system operations. As the cybersecurity landscape evolves, the Corporation may be required to expend significant resources to protect against the threat of system disruptions and security breaches, or to alleviate problems caused by disruptions and breaches. Any of these or other events could cause system interruptions, delays, and loss of critical data, could delay or prevent operations and could result in legal proceedings against the Corporation and also prejudice to the Corporation's clients, employees and reputation.

Changes to Backlog

The Corporation cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. Projects may remain in the backlog for an extended period of time. In addition, project delays, suspensions, terminations, cancellations, reductions in scope or other adjustments do occur from time to time in the Corporation's industry due to considerations beyond our control and may have a material impact on the value of reported backlog with a corresponding adverse impact on future revenues and profitability. Future project cancellations and scope adjustments could further reduce the dollar amount of the backlog and the revenues that the Corporation actually receives.

In addition, most of the Corporation's contracts contain "termination for convenience" or termination upon short notice provisions, which permit the client to terminate or cancel the contract at its convenience upon providing the Corporation with notice of a specified period of time before the termination date or paying the Corporation equitable compensation or both, depending on the specific contract terms. In the event a significant number of the Corporation's clients were to avail themselves of such "termination for convenience" provisions, or if one or more significant contracts were terminated for convenience, the Corporation's reported backlog would be adversely affected with a corresponding adverse impact on expected future revenues and profitability. Although the Corporation's revenues do not materially depend on any specific client, there can be no assurance that the Corporation will be able to retain its relationships with its largest clients.

If a significant backlog adjustment occurs, the Corporation could incur costs resulting from reductions in staff that would have the effect of reducing its net earnings.

Revenues from Contracts with Government Agencies

The demand for the Corporation's services is affected by the level of government funding that is allocated for rebuilding, improving, and expanding infrastructure systems. The Corporation derives a significant portion of its revenues from governments or government-funded projects and expects to continue to do so in the future. Significant changes in the level of government funding (whether from traditional funding constraints), the long-term impacts of the recent economic crisis (including future budgetary constraints and concerns regarding deficits), changing political priorities, changes in governments or delays in projects caused by election processes, may adversely affect the Corporation's business, prospects, financial condition and results of operations.

The success and further development of the Corporation's business depends, in part, on the continued funding of these government programs and on the Corporation's ability to participate in these programs. However, governments may not have available resources to fund these programs or may not fund these programs even if they have available financial resources. Some of these government contracts are subject to renewal or extensions annually, and thus the Corporation cannot be assured of its continued work under these contracts in the future. Government agencies can typically terminate these contracts at their convenience or render the Corporation ineligible to contract with such government agencies in the future. The Corporation may incur costs in connection with the termination of these contracts and suffer a loss of business. In certain markets, contracts with government agencies are sometimes subject to substantial regulation and audit of the actual costs incurred. These audits can result in a determination that a rule or regulation has been violated or that adjustments are necessary to the amount of contract costs the Corporation believes are reimbursable by the agencies and the amount of overhead costs allocated to the agencies. Consequently, there may be a downward adjustment to the Corporation's revenues if those costs that have been recognized exceed contractual entitlement to recover such costs.

Controls and Disclosure

Inherent limitations to the Corporation's internal or disclosure controls could result in a material misstatement of financial information. The Corporation maintains accounting systems and internal controls over its financial reporting and disclosure controls and procedures. There are inherent limitations to any control framework, as controls can be circumvented by acts of individuals, intentional or not, by collusion of two or more individuals, by management override of controls, by lapses in judgment and breakdowns resulting from human error. There are no systems or controls that can provide absolute assurance that all fraud, errors, circumvention of controls or omission of disclosure can and will be prevented or detected. Such fraud, errors, circumvention of controls or omission of disclosure could result in a material misstatement of financial information. Also, projections of any evaluation of the effectiveness of controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Inadequate controls could also result in fraud and inappropriate decision-making based on non-current internal financial information. Inadequate internal or disclosure controls may also have a material adverse impact on the assets, liabilities, revenues, expenses, and reputation of the Corporation.

Risk of Future Legal Proceedings

The Corporation is threatened from time to time with, or named as a defendant in, or may become subject to, various legal proceedings in the ordinary course of conducting its business, including lawsuits based upon professional errors and omissions, lawsuits related to the general contracting business historically carried on by its predecessors and lawsuits related to employees' or former employees' failure to comply with laws and regulations. The Corporation issues reports and opinions to clients based on its professional engineering expertise, as well as its other professional credentials in compliance with applicable laws, regulations and professional standards. The Corporation could be liable to third parties who use or rely upon such reports or opinions even if the Corporation is not contractually bound to those third parties.

Defending lawsuits of this nature or arising out of any of the services provided by the Corporation could require substantial attention from Management, necessitate financial resources to defend such claims and/or result in significant attorney fees, damage awards and the imposition of significant fines or penalties for which the Corporation may not be fully insured and which could harm its reputation, thereby affecting its ability to bid on and/or obtain future projects and retain qualified employees. In addition, the institution of proceedings against the Corporation may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and/or goodwill of the Corporation.

Growth by Acquisitions

Management believes that growth through acquisitions can provide certain benefits to the Corporation. A variety of factors may also adversely affect the anticipated benefits of an acquisition or prevent these from materializing or occurring within the time periods anticipated by the Corporation. Cultural differences among various countries in which the Corporation has acquired businesses may also present barriers to the success of the integration plan of the acquisitions completed by the Corporation. In connection with acquisitions made by the Corporation, there may also be liabilities and contingencies that the Corporation failed to discover or was unable to quantify in the due diligence conducted prior to closing of an acquisition and which could have a material adverse effect on the Corporation's business, financial condition or future prospects.

Acquisition Integration and Management

Achievement of the benefits of acquisitions depends in part on successfully consolidating functions, integrating and leveraging operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to share knowledge and realize revenues, synergies and other growth opportunities from combining acquired businesses and operations with those of WSP. Failure by the Corporation to effectively integrate acquisitions could lead to a failure to realize anticipated benefits of one or more acquisitions. The integration of any acquired business into WSP includes the combination of systems and personnel. The successful integration of an acquired business is subject to the risk that personnel and professionals from the acquired business and the Corporation may not be able to work together successfully, which could affect the Corporation's operations. In particular, the Corporation may seek to require as a condition of its acquisitions that key personnel and professionals enter into employment agreements for specified post-acquisition periods and/or non-competition undertakings, however there are risks that such commitments will not be fulfilled or that the personnel and professionals subject to same or other personnel and professionals will not be successfully integrated as productive contributors to the Corporation's business.

Integration requires the dedication of substantial management effort, time and resources, which may divert Management's focus and resources from other strategic opportunities and from operational matters during the process. The acquisition integration process may also result in the disruption of ongoing business, customer, employee and other relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of a given acquisition, including the ability to realize the anticipated synergies from combining the acquired business into WSP. In particular, major clients of the acquired businesses may not be retained following the acquisition of such businesses

There is no assurance that the Corporation will be able to successfully integrate past acquisitions. Each year, the Corporation incurs acquisition-related integration costs which may be material.

In addition, the overall integration may result in unanticipated operational problems, including the Corporation's own operational, financial and management systems which may be incompatible with or inadequate to effectively integrate and manage the acquired businesses.

Challenges Associated with Size

In recent years, the Corporation has significantly increased in size and now has approximately 48,000 employees globally and expects to continue to pursue its growth strategy. The Corporation must effectively communicate and manage its culture, values, standards, internal controls and policies throughout the larger organization. The Corporation may not be able to achieve its strategic objectives if it does not overcome the challenges associated with managing cultural diversity and the particularities of local markets. Cultural differences in various countries may also present barriers to introducing new ideas or aligning WSP's vision and strategy throughout the organization. If the Corporation cannot overcome these obstacles, it may not be able to achieve its growth and profitability objectives.

Risks Associated with Professional Services Contracts

A portion of the Corporation's revenues comes from fixed-price negotiated fee contracts. Under such contracts, the Corporation agrees to perform either all or a specified portion of work under the contract for a fixed fee. Fixed-price negotiated fee contracts expose the Corporation to a number of risks not inherent in hourly basis contracts, including underestimation of fees, ambiguities in specifications, unforeseen difficulties, problems with new technologies, inability of clients to fulfill their obligations on a timely basis, delays beyond its control and economic or other changes that may occur during the contract period and losses. Increasing use of fixed-price negotiated fee contracts and/or increasing size of such contracts would increase the Corporation's exposure to these risks.

In addition, the Corporation partners with construction delivery partners on engineering, procurement and construction (EPC) projects. In such cases, the Corporation assumes all design, procurement and construction risks, except for any risks that are contractually assumed by the client. Losses under EPC projects could adversely affect the Corporation's business, operating results and financial condition.

The Corporation typically has pending claims submitted to clients under some of its contracts for payment of work performed beyond the initial contractual requirements for which revenues have already been recorded. In general, the Corporation cannot guarantee that such claims will be approved by its clients in whole, in part, or at all. If these claims are not approved, the Corporation's revenues may be reduced in future periods. In certain instances, the Corporation may provide a guarantee to a client that it will complete a project by a certain date. As such, the Corporation may incur additional costs should the project be managed ineffectively or should it subsequently fail to meet the scheduled completion date for any other reason. Projects that are not completed on schedule further reduce profitability: staff must continue to work on them longer than anticipated; this may prevent them from pursuing and working on new projects. Projects that are over budget or not on schedule may also lead to client dissatisfaction and adversely impact the Corporation's reputation. A project's revenues could also be reduced should the Corporation be required to pay liquidated damages in connection with contractual penalty provisions. Such damages can be substantial and can accrue on a daily basis.

In addition, certain contract bidding frameworks are inherently stringent and inflexible, which limits the ability of a bidder or tenderer to negotiate certain contractual terms and conditions. This may happen in government contracts or in very large projects in which the Corporation plays a smaller role. These types of contracts could potentially expose the Corporation to significant additional risks or costs that could adversely affect the profitability of the Corporation's projects.

Joint Arrangements

As part of its business strategy, the Corporation may enter into certain contracts through joint arrangements such as joint ventures, partnerships or other strategic alliances. The success of the Corporation's joint arrangements depends, in part, on the satisfactory performance by its partners of their respective obligations. The failure or unwillingness of any partner in a joint arrangement to perform its obligations could impose financial and performance obligations on the Corporation that could result in increased costs and adversely affect the Corporation's reputation. If these circumstances occur, the Corporation may be required to pay financial penalties or liquidated damages, provide additional services, or make additional investments to ensure adequate performance and delivery of the contracted services. Under agreements with joint and several (or solidary) liabilities, the Corporation could be liable for both its own obligations and those of its partners.

Economic Environment

Global and local capital and credit markets and global and local economies may experience significant uncertainty, characterized by the bankruptcy, failure, collapse or sale of one or more sectors, including financial institutions, and a considerable level of intervention from governments and international organizations around the world. Economic conditions in any of the markets in which the Corporation operates may be weak and may remain weak or become weaker in the future. Although economic growth may be rebounding in some regions of the world, many markets remain fragile and could again enter periods of negative economic growth. In addition, many governments used, or continue to use, significant levels of fiscal stimulus in an attempt to avoid recessions and now have significant and growing debts and deficits that may require actions such as spending cuts and higher taxes. These conditions may impact demand for the Corporation's services by public and private entities. Demand for the Corporation's services may also be vulnerable to reductions in private industry spending resulting from sudden economic downturns or changes in commodity prices such as oil, natural gas or metals, which may result in clients delaying, curtailing or canceling proposed and existing projects. Any of these conditions may adversely affect the demand for the Corporation's services, which may negatively affect its business, financial condition and results of operations.

In addition, interest rate fluctuations, financial market volatility or credit market disruptions may limit the Corporation's access to capital and may also negatively affect the ability of the Corporation's customers to obtain credit to finance their businesses on acceptable terms. If the operating and financial performance of the Corporation's customers deteriorates or if they are unable to make scheduled payments or obtain credit, the Corporation's customers may not be able to pay the Corporation. Any inability of customers to pay the Corporation for its services may adversely affect its backlog, earnings and cash flows.

Lastly, rising inflation, interest rates and construction costs could reduce the demand for the Corporation's services in the markets in which it operates or may operate in the future. The Corporation also bears the risk of rising inflation in connection with fixed-price negotiated fee contracts. Due to the fact that a significant portion of the Corporation's revenues are earned from cost-reimbursable type contracts, the effects of inflation on the Corporation's financial condition and results of operations over the past few years have been generally minor. Nonetheless, if the Corporation expands its business into markets or geographic areas in which fixed-price negotiated fee work is more prevalent, inflation may have a larger impact on the Corporation's results of operations.

Reliance on Suppliers and Subcontractors

The Corporation engages with a large number of third party suppliers and subcontractors. The proper and profitable completion of some contracts depends to a large extent on the satisfactory performance of the subcontractors that complete different elements of work. If these subcontractors do not perform to acceptable standards, the Corporation may be required to hire other subcontractors in order to complete the tasks, which may add additional costs to a contract, may impact profitability on a specific job and in certain circumstances may lead to significant losses. The failure of any such third party, supplier or subcontractor to deliver on their contractual commitments could have an adverse effect on the Corporation's business, reputation, prospects, financial condition and results of operations.

Availability and Retention of Qualified Professional Staff

The Corporation's success depends in part on its continued ability to attract and retain qualified and skilled engineers and other professional staff in particular locations. Over the years, a significant shortage of engineers has developed in some markets which resulted in continued upward pressure on professional compensation packages. There can be no assurance that the Corporation will be able to attract, hire and retain sufficient qualified engineers and other professional staff necessary to continue to maintain and grow its business. The inability to attract, hire and retain sufficient numbers of qualified engineers and other professional staff could limit the Corporation's ability to sustain and increase revenues.

Adequate Utilization of Workforce

The cost of providing its services, including the extent to which the Corporation utilizes its workforce, affects its profitability. The rate at which the Corporation utilizes its workforce is affected by a number of factors, including:

— its ability to transition employees from completed projects to new assignments and to hire and integrate new employees;

— its ability to forecast demand for its services and thereby maintain an appropriate headcount in each of its geographies;

— its ability to manage attrition;

— its need to devote time and resources to training, business development, professional development, and other non-chargeable activities; and

— its ability to match the skill sets of its employees to the needs of the marketplace.

If the Corporation over-utilizes its workforce, its employees may become disengaged, which could impact employee attrition. If the Corporation under-utilizes its workforce, its profit margin and profitability could suffer.

Work Stoppage and Labour Disputes

As of December 31, 2018, employees predominantly in Sweden, Finland, France and Spain, representing less than 12% of the Corporation's total employees and the vast majority of the Corporation's unionized employees, were covered by collective bargaining agreements. Although the Corporation believes that it has good relations with its employees, the Corporation has in the past experienced labour disputes with its employees. A lengthy strike or other work stoppages, caused by or involving unionized or non-unionized employees, in connection with any of the Corporation's projects could have a material adverse effect on the Corporation.

Insurance Limits

The Corporation believes that its professional errors and omissions insurance, commercial general liability and director and officer liability insurance coverage addresses all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent operator of a similar business and is subject to deductibles, limits and exclusions which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the Corporation's assets or operations.

Extreme Weather Conditions and the Impact of Natural or Other Disasters

The Corporation's field activities are generally performed outdoors and include professional surveying, resident engineering services, field data surveys and collection, archeology, geotechnical investigations and exploratory drilling, construction oversight and inspection, plant start-up and testing and plant operations. Extreme weather conditions or natural or other disasters, such as earthquakes, fires, floods, epidemics or pandemics and similar events, may cause postponements in the initiation and/or completion of the Corporation's field activities and may hinder the ability of its employees to perform their duties, which may result in delays or loss of revenues that otherwise would be recognized while certain costs continue to be incurred. Extreme weather conditions or disasters may also delay or eliminate the start and/or completion of various phases of work relating to other services that commence concurrently with or subsequent to field activities. Any delay in the completion of the Corporation's services may require the Corporation to incur additional non-compensable costs, including overtime work, that are necessary to meet clients' schedules. Due to various factors, a delay in the commencement or completion of a project may also result in penalties or sanctions under contracts or even the cancellation of contracts.

Risks Related to the Industry

Competition in the Industry

The Corporation operates in highly competitive markets and has numerous competitors for all of the services it offers. Size and characteristics of competitors vary widely with the type of service they provide. Some of the Corporation's competitors have longer operating histories, greater name recognition, larger customer bases and have achieved substantially more market penetration in certain of the areas in which the Corporation competes. In addition, some of the Corporation's competitors have substantially more financial resources and/or financial flexibility and marketing resources than the Corporation. In addition, in the midst of rapid technological development, the Corporation must continue to anticipate changes in its clients' needs and to do so, must adapt its services so that it maintains and improves its competitive advantage. If the Corporation does not continue to innovate and leverage technology advancements, its ability to retain existing clients and attract new clients may be adversely affected. These competitive forces could have a material adverse effect on the Corporation's business, reputation, financial condition and results of operations by reducing its current market share in the market sectors in which the Corporation operates.

Changes to Regulations

A portion of the Corporation's professional services business is generated directly or indirectly as a result of laws and regulations. Changes in such regulations could affect the Corporation's business more significantly than they would affect other professional services firms. Accordingly, changes to the number or scope of these laws and regulations could significantly reduce the size of its market sector in such market.

Increased Awareness of Environmental Factors

As part of increasing awareness of global climate change, some experts have suggested that companies involved in industries that may impact the environment through their projects may be subject to litigation from governments, shareholders or environmental activists. The cancellation of major projects contracted by the Corporation due to environmental concerns or significant environmental litigation impacting key clients could materially affect the Corporation's financial condition, reputation and results of operations.

Risks Related to the Corporation's Liquidity, Capital Resources and Financial Position

Deterioration of Financial Position or Net Cash Position

The Corporation relies both on its cash position as well as on the credit and capital markets to provide a portion of its capital requirements and it is, in certain instances, required to obtain bank guarantees as a means to secure its various contractual obligations. Significant instability or disruptions of the capital markets, including the credit markets, or a deterioration in or weakening of its financial position, including its net cash position, due to internal or external factors, could restrict or prohibit the Corporation's access to, or significantly increase the cost of one or more of these financing sources, including credit facilities, the issuance of long-term debt, or the availability of letters of credit to guarantee its contractual and project obligations.

There can be no assurance that the Corporation will maintain an adequate net cash position and generate sufficient cash flow from operations in a sufficient amount to enable itself to fund its operations and liquidity needs, service its debt and/or maintain its ability to obtain and secure bank guarantees.

A draw on letters of credit or bank guarantees by one or more third parties could, among other things, significantly reduce the Corporation's cash position and have a material adverse effect on its business and results of operations.

Working Capital Requirements

The Corporation may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows. In some cases, the Corporation may require significant working capital to finance the performance of engineering and other work on certain projects before it receives payment from clients. In some cases, the Corporation is contractually obligated to its clients to fund working capital on projects. Increases in working capital requirements could negatively impact the Corporation's business, financial condition and cash flows.

Further significant deterioration of the current global economic and credit market environment could challenge the Corporation's efforts to maintain a diversified asset allocation with credit worthy financial institutions.

In addition, the Corporation may invest some of its cash in longer-term investment opportunities, including the acquisition of other entities or operations, the reduction of certain liabilities such as unfunded pension liabilities and/or repurchases of the Corporation's outstanding shares. To the extent the Corporation uses cash for such other purposes, the amount of cash available for the working capital needs described above would be reduced.

Accounts Receivable

As is common in the professional services industry, the Corporation carries a high level of accounts receivable on its balance sheet. This value is spread amongst numerous contracts and clients. While the Corporation performs regular reviews of accounts receivable to identify clients with overdue payments and resolve issues causing any delays, there can be no assurance that outstanding accounts receivable will be paid on a timely basis or at all. The non-payment of accounts receivable may have an adverse impact on the Corporation's financial condition and profitability.

Increased Indebtedness and Raising Capital

As of December 31, 2018, $1,460.4 million was drawn on the Corporation's credit facility. Such degree of leverage could require the Corporation to dedicate an important part of its cash flow to making interest and capital payments on its indebtedness, which could have other important consequences for investors, including the following:

— it may limit the Corporation's ability to make investments that are important to its growth and strategies while meeting its other cash needs or obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;

— certain of the Corporation's borrowings are at variable interest rates and expose the Corporation to the risk of increased interest rates;

— it may limit the Corporation's ability to adjust to changing market conditions and place the Corporation at a competitive disadvantage compared to its competitors that have less debt;

— the Corporation may not be able to pay dividends on its shares; and

— the Corporation may be vulnerable in a downturn in general economic conditions.

Under the terms of the Credit Facility, the Corporation is permitted to incur additional debt in certain circumstances. However, doing so could increase the risks described above. Under the Credit Facility, WSP is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated earnings before adjusted EBITDA and the interest coverage ratios, which are non-IFRS measures. 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 December 31, 2018.

If the Corporation is unable to obtain capital on acceptable terms in order to fund its growth strategy, the Corporation may be required to reduce the scope of its anticipated expansion, which may negatively affect its business strategy, future competitiveness and results of operations. Using internally generated cash or taking on debt to complete acquisitions could substantially limit the Corporation's operational and financial flexibility. The extent to which the Corporation will be able or willing to use its shares for acquisitions will depend on the market value of its shares from time to time and the willingness of potential sellers to accept its shares as full or partial consideration. The Corporation may also be required to incur additional debt if it acquires another business, which could increase its debt repayment obligations and have a negative impact on future liquidity and profitability.

In addition, the Corporation may also be required to raise additional capital in the public or private markets to support its strategy and operational needs in the future. The availability of future financing will depend on prevailing market conditions, and the acceptability of financing terms offered. There can be no assurance that future financing will be available, or available on acceptable terms, in an amount sufficient to fund its needs, especially during periods of economic downturn.

Impairment of Goodwill

Because the Corporation has grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of the Corporation's assets. As of December 31, 2018, the Corporation had $3,493.2 million of goodwill, representing 45.0% of its total assets of $7,766.6 million. Under IFRS, the Corporation is required to test goodwill carried in its consolidated statements of financial position for possible impairment on an annual basis; the Corporation uses a fair value approach. The Corporation has chosen to perform its annual impairment review of goodwill on the first day of the Corporation's fourth quarter of its fiscal year. The Corporation is also required to test goodwill for impairment between annual tests if events occur or circumstances change that would more likely than not reduce the fair value of a Cash Generating Unit ("CGU") below its book value, which would mean the value of the acquired assets has fallen below what the Corporation generally paid for them. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a CGU's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of its business, potential government actions toward its facilities, and other factors. If the recoverable amount of a CGU is less than its carrying value, the Corporation could be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on the Corporation's financial condition and results of operations for the period in which the charge is taken.

Foreign Currency Exposure

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A significant portion of the Corporation's earnings and net assets is denominated in multiple foreign currencies, including US dollar, Sterling pound, Euro, Swedish krona and Chinese Renminbi. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Corporation's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

Future payments or distributions payable in a foreign currency carry the risk that the foreign currency will depreciate in value before the foreign currency payment is received and is exchanged into the Corporation's functional currency. In situations where revenues and costs are transacted in different currencies, the Corporation sometimes enters into foreign exchange contracts in order to limit its exposure to fluctuating foreign currencies. Although the Corporation does not currently have an exchange rate risk policy that would materially affect its results of operations, it is still subject to foreign currency risk.

Income Taxes

The Corporation is subject to income taxes in various foreign jurisdictions. The tax legislation, regulation and interpretation that apply to our operations are continually changing. In addition, future tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and anticipated business mix in the various jurisdictions in which we operate. Significant judgment is required in determining required provision for income taxes and Management uses accounting and fiscal principles to determine income tax positions that it believes are likely to be sustained by applicable tax authorities. However, there is no assurance that our tax benefits or tax liability will not materially differ from our estimates or expectations. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Corporation is regularly under audit by tax authorities. It is these tax authorities that will make the final determination of the actual amounts of taxes payable or receivable, of any future tax benefits or liabilities and of income tax expense that we may ultimately recognize. Although Management believes that its tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new tax accounting standards, legislation, regulations, and related interpretations, the Corporation's global mix of earnings, the realizability of deferred income tax assets and changes in uncertain tax positions. Any of the above factors could have a material adverse effect on our net income or cash flows by affecting our operations and profitability, the availability of tax credits, the cost of the services we provide, and the availability of deductions for operating losses as we grow our business. An increase or decrease in the Corporation's effective income tax rate could have a material adverse impact on its financial condition and results of operations.

Underfunded Defined Benefits Obligations

The Corporation may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement employee benefit plans managed by the Corporation. Such contributions are generally determined by calculating the projected benefit obligations of a plan, minus the fair value of such plan assets. In the future, the Corporation's benefit plan obligations may increase or decrease depending on, among other things, changes in life expectancy, interest rates and asset performance. If the Corporation is required to contribute a significant amount to cover deficit under underfunded benefit plans, the Corporation's cash flows may be materially and adversely affected.

Changing economic conditions and demographics may result in significant increases in the Corporation's funding obligations thereby reducing the availability of such funds for other corporate purposes, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Risks Related to the Shares

Potential Dilution

The Corporation's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. In order to successfully complete targeted acquisitions or to fund its other activities, the

Corporation may issue additional equity securities that could dilute share ownership.

Potential Issuance of Preferred Shares

Any issuance of preferred shares could make it difficult for another company to acquire the Corporation or could otherwise adversely affect holders of the shares, which could depress the price of the Corporation's shares. The Corporation's board of directors has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of preferred shares constituting any series and the designation of such series, without any further vote or action by the Corporation's shareholders. The preferred shares could be issued with liquidation, dividend and other rights superior to the rights of the shares. The potential issuance of preferred shares may delay or prevent a change in control of the Corporation, discourage bids for the shares at a premium over the market price and adversely affect the market price and other rights of the holders of the shares.

Risks Related to Forward-Looking Statements

The forward-looking statements included in this MD&A relating to, among other things, the Corporation's future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which the Corporation operates and the other statements listed in "Forward-Looking Statements", are based on opinions, assumptions and estimates made by Management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believe are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Corporation's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. The Corporation makes no representation that its actual results in the future will be the same, in whole or in part, as those included in this MD&A. See "Forward-Looking Statements".

22 Additional Information

Additional information regarding the Corporation is available on our Website at www.wsp.com and on SEDAR at www.sedar.com. The Annual Information Form of the Corporation for the year ended December 31, 2018, will be available on these websites by the end of March 2019.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP". As at December 31, 2018, the Corporation had 104,441,416 common shares outstanding. As at March 13, 2019, the Corporation had 104,766,228 common shares outstanding following the share issuance realized under the DRIP after the payment of the fourth quarter dividend in January 2019.

The Corporation has no other shares outstanding.

23 Glossary

Net Revenues

Net revenues are defined as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from the clients. Net revenues are not an IFRS measure and do not have a standardized definition within IFRS. Therefore, net revenues may not be comparable to similar measures presented by other issuers. Investors are advised that net revenues should not be construed as an alternative to revenues for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance.

EBITDA

EBITDA is defined as earnings before financial expenses, income tax expenses and depreciation and amortization. EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that EBITDA should not be considered an alternative to net earnings for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance, or an alternative to cash flows from operating, financing and investing activities as a measure of the liquidity and cash flows. The Corporation's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, the Corporation's EBITDA may not be comparable to similar measures used by other issuers.

Adjusted EBITDA

Adjusted EBITDA is defined as earnings before financial expenses, income tax expenses, depreciation and amortization and acquisition and integration costs. Adjusted EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that adjusted EBITDA should not be considered an alternative to net earnings for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance, or an alternative to cash flows from operating, financing and investing activities as a measure of the liquidity and cash flows. The Corporation's method of calculating adjusted EBITDA may differ from the methods used by other issuers and, accordingly, the Corporation's adjusted EBITDA may not be comparable to similar measures used by other issuers.

Adjusted EBITDA Margin

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted EBITDA margin is not an IFRS measure and does not have a standardized definition within IFRS.

Adjusted EBITDA Before Global Corporate Costs

Adjusted EBITDA before Global Corporate costs is defined as adjusted EBITDA excluding Global Corporate costs. Global Corporate costs are expenses and salaries related to centralized functions, such as global finance, human resources and technology teams, which are not allocated to reportable segments. This measure is not an IFRS measure and does not have a standardized definition within IFRS. It provides Management with comparability from one reportable segment to another.

Adjusted EBITDA Margin Before Global Corporate Costs

Adjusted EBITDA margin before Global Corporate costs is defined as adjusted EBITDA before Global Corporate costs expressed as a percentage of net revenues. Adjusted EBITDA margin before Global Corporate costs is not an IFRS measure and does not have a standardized definition within IFRS. It provides Management with comparability from one reportable segment to another.

Adjusted Net Earnings and Adjusted Net Earnings per Share

Adjusted net earnings is defined as net earnings attributable to shareholders excluding acquisition and integration costs and the income tax effects related to these costs. Adjusted net earnings is not an IFRS measure and does not have a standardized definition within IFRS. It provides a comparative measure of the Corporation's performance in a context of significant business combinations, in which the Corporation may incur significant acquisition and integration costs. The Corporation believes these costs should be excluded in understanding the underlying operational financial performance achieved by the Corporation.

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

Adjusted Net Earnings Excluding Amortization of Intangible Assets Related to Acquisitions and Adjusted Net Earnings Excluding Amortization of Intangible Assets Related to Acquisitions per Share

Adjusted net earnings excluding amortization of intangible assets related to acquisitions (net of income taxes) is defined as adjusted net earnings attributable to shareholders excluding the amortization of backlogs, customer relationships, non-competition agreements and trade names accounted for in business combinations and the income tax effects related to this amortization. Adjusted net earnings excluding amortization of intangible assets related to acquisitions (net of income taxes) is not an IFRS measure and does not have a standardized definition within IFRS. It provides a comparative measure of the Corporation's performance in a context of significant business combinations.

Adjusted net earnings excluding amortization of intangible assets related to acquisitions (net of income taxes) per share is calculated using the basic weighted average number of shares.

Acquisition, Integration and Restructuring Costs

Acquisition, integration and restructuring costs is not an IFRS measure and does not have a standardized definition within IFRS. Acquisition, integration and restructuring costs are items of financial performance which the Corporation believes should be excluded in understanding its underlying operational financial performance.

In 2017 and 2018, acquisition, integration and restructuring costs pertained mainly to transaction and integration costs related to business acquisitions (up to 24 months from the date of acquisition) as well as any gains or losses made on disposals of non-core assets. In 2018, 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 past service cost related to legacy UK-based defined benefit pension plans, were also included under this caption.

Effective in 2019, the Corporation will incur restructuring costs in connection to the Louis Berger acquisition, as disclosed at the time of said acquisition.

Backlog

Backlog is not an IFRS measure and does not have a standardized definition within IFRS. It represents future revenues stemming from existing signed contracts to be completed. The Corporation's method of calculating backlog may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers.

Funds From Operations and Funds From Operations per Share

Funds from operations is not an IFRS measure and does not have a standardized definition within IFRS. It provides Management and investors with a proxy for the amount of cash generated from (used in) operating activities before changes in non-cash working capital items.

Funds from operations per share is calculated using the basic weighted average number of shares.

Free Cash Flow and Free Cash Flow per Share

Free cash flow is not an IFRS measure and does not have a standardized definition within IFRS. It provides a consistent and comparable measurement of discretionary cash generated by and available to the Corporation. Free cash flow is defined as cash flows from operating activities as reported in accordance with IFRS, plus discretionary cash generated by the Corporation from other activities (if any), less net capital expenditures.

Free cash flow per share is calculated using the basic weighted average number of shares.

Days Sales Outstanding ("DSO")

DSO is not an IFRS measure and does not have a standardized definition within IFRS. It represents the average number of days to convert our 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. The Corporation's method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers.

Net Debt to Adjusted EBITDA

Net Debt to adjusted EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. It is a measure of our level of financial leverage net of our cash and is calculated on our trailing twelve month adjusted EBITDA. Net debt is defined as financial liabilities, consisting of long term debt and other financial liabilities, including current portions, net of cash.

Consolidated Financial Statements

For the year ended December 31, 2018 and 2017

Independent auditor's report

To the Shareholders of WSP Global Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WSP Global Inc. and its subsidiaries, (together, the Corporation) as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2018 and 2017;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Michael Trudeau.

PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 13, 2019

[1] CPA auditor, CA, public accountancy permit No. A no A113048

Consolidated Statements of Financial Position
As at December 31, 2018, and 2017
(in millions of Canadian dollars)

	2018	2017
Assets	$	$
Current assets		
Cash (note 6)	254.7	185.1
Restricted cash	5.0	6.8
Trade, prepaids and other receivables (note 7)	1,857.6	1,554.7
Income taxes receivable	13.6	18.0
Cost and anticipated profits in excess of billings (note 8)	1,116.1	905.0
	3,247.0	2,669.6
Non-current assets		
Other assets (note 9)	192.0	113.0
Deferred income tax assets (note 23)	116.1	91.4
Property and equipment (note 10)	350.6	315.4
Intangible assets (note 11)	367.7	355.2
Goodwill (note 12)	3,493.2	2,979.0
Total assets	**7,766.6**	**6,523.6**
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 14)	1,787.5	1,361.9
Billings in excess of costs and anticipated profits (note 8)	678.3	483.8
Income taxes payable	52.1	47.9
Dividends payable to shareholders (note 24)	39.2	38.7
Current portion of long-term debts (note 15)	42.3	276.3
Other current financial liabilities (note 16)	14.5	45.8
	2,613.9	2,254.4
Non-current liabilities		
Long-term debts (note 15)	1,461.2	882.4
Other non-current financial liabilities (note 16)	6.7	25.4
Provisions (note 14)	153.1	121.2
Retirement benefit obligations (note 17)	197.7	206.7
Deferred income tax liabilities (note 23)	74.3	74.5
Total liabilities	**4,506.9**	**3,564.6**
Equity		
Equity attributable to shareholders		
Share capital (note 18)	2,656.5	2,577.4
Contributed surplus	204.9	204.2
Accumulated other comprehensive income	216.3	86.0
Retained earnings	181.3	91.4
	3,259.0	2,959.0
Non-controlling interest	0.7	—
Total equity	**3,259.7**	**2,959.0**
Total liabilities and equity	**7,766.6**	**6,523.6**

Commitments and contingencies (note 28)

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 consolidated financial statements.

Consolidated Statements of Earnings
For the Years Ended December 31, 2018 and 2017
(in millions of Canadian dollars, except the number of shares and per share data)

	2018	2017
	$	$
Revenues (note 20)	**7,908.1**	**6,942.2**
Personnel costs	4,567.1	4,112.9
Subconsultants and direct costs	1,887.5	1,585.6
Occupancy costs	258.9	227.8
Other operational costs	538.3	473.6
Acquisition and integration costs (note 21)	62.3	28.4
Depreciation of property and equipment	91.8	79.6
Amortization of intangible assets	102.6	89.2
Exchange loss (gain)	2.3	(6.9)
Share of income of associates and joint ventures (net of tax)	(0.8)	(0.3)
Total net operational costs	**7,510.0**	**6,589.9**
Net finance expenses (note 22)	68.8	36.9
Earnings before income taxes	**329.3**	**315.4**
Income-tax expense (note 23)	80.5	102.1
Net earnings for the period	**248.8**	**213.3**
Net earnings attributable to:		
Shareholders	248.1	213.3
Non-controlling interests	0.7	—
	248.8	**213.3**
Basic net earnings per share attributable to shareholders	2.38	2.08
Diluted net earnings per share attributable to shareholders	2.38	2.08
Basic weighted average number of shares	104,150,041	102,448,943
Diluted weighted average number of shares	104,392,368	102,576,410

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

(in millions of Canadian dollars)

	2018	2017
	$	$
Comprehensive income		
Net earnings for the period	248.8	213.3
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments (net of tax expense/(recovery) of $8.4 (($5.0) in 2017))	168.2	(73.9)
Fair value re-evaluations – available-for-sale assets (net of tax expense/(recovery) of nil ($2.1 in 2017))	—	5.7
Translation adjustments on financial instruments designated as net investment hedge (net of tax expense/(recovery) of ($7.5) ($4.0 in 2017))	(48.3)	25.6
Items that will not be reclassified to net earnings		
Actuarial gain/(loss) on pension schemes (net of tax expense/(recovery) of $3.1 (($3.4) in 2017))	9.4	(4.2)
Total comprehensive income for the period	**378.1**	**166.5**
Comprehensive income attributable to:		
Shareholders	377.4	166.5
Non-controlling interests	0.7	—
	378.1	**166.5**

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

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - January 1, 2017	**2,491.6**	**203.3**	**31.9**	**132.8**	**2,859.6**	**0.9**	**2,860.5**
Common shares issued under the DRIP (note 18)	82.7	—	—	—	82.7	—	82.7
Exercise of stock options (note 18)	3.1	(0.5)	—	—	2.6	—	2.6
Stock-based compensation expense (note 13)	—	1.4	—	—	1.4	—	1.4
Comprehensive income							
Net earnings for the period	—	—	213.3	—	213.3	—	213.3
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	(4.2)	(4.2)	—	(4.2)
Currency translation adjustments (net of tax)	—	—	—	(73.9)	(73.9)	—	(73.9)
Fair value re-evaluations – available-for-sale assets (net of tax)	—	—	—	5.7	5.7	—	5.7
Net investment hedge (net of tax)	—	—	—	25.6	25.6	—	25.6
Total comprehensive income	—	—	**213.3**	**(46.8)**	**166.5**	**—**	**166.5**
Declared dividends to shareholders	—	—	(153.8)	—	(153.8)	—	(153.8)
Disposal of subsidiary	—	—	—	—	—	(0.9)	(0.9)
Balance - December 31, 2017	**2,577.4**	**204.2**	**91.4**	**86.0**	**2,959.0**	**—**	**2,959.0**

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

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2018 and 2017
(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - December 31, 2017	**2,577.4**	**204.2**	**91.4**	**86.0**	**2,959.0**	**—**	**2,959.0**
Adjustment to opening balances - Adoption of IFRS 9 (note 2)	—	—	(1.0)	1.0	—	—	—
Common shares issued under the DRIP (note 18)	77.4	—	—	—	77.4	—	77.4
Exercise of stock options (note 18)	1.7	(0.3)	—	—	1.4	—	1.4
Stock-based compensation expense (note 13)	—	1.0	—	—	1.0	—	1.0
Comprehensive income							
Net earnings for the period	—	—	248.1	—	248.1	0.7	248.8
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	9.4	9.4	—	9.4
Currency translation adjustments (net of tax)	—	—	—	168.2	168.2	—	168.2
Net investment hedge (net of tax)	—	—	—	(48.3)	(48.3)	—	(48.3)
Total comprehensive income	—	—	**248.1**	**129.3**	**377.4**	**0.7**	**378.1**
Declared dividends to shareholders (note 24)	—	—	(156.0)	—	(156.0)	—	(156.0)
Purchase of non-controlling interest	—	—	(1.2)	—	(1.2)	—	(1.2)
Balance - December 31, 2018	**2,656.5**	**204.9**	**181.3**	**216.3**	**3,259.0**	**0.7**	**3,259.7**

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

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017
(in millions of Canadian dollars)

	2018	2017
	$	$
Operating activities		
Net earnings for the period	248.8	213.3
Adjustments (note 25a))	171.1	139.7
Income tax expense (note 23)	80.5	102.1
Income taxes paid	(73.9)	(58.8)
Net finance expenses (note 22)	68.8	36.9
Change in non-cash working capital items (note 25b))	174.4	(37.8)
Net cash generated from (used in) operating activities	**669.7**	**395.4**
Financing activities		
Dividends paid to shareholders	(78.1)	(70.4)
Net variation in long-term debts (note 25 c))	217.7	66.8
Net variation in other financial liabilities	(4.2)	(15.1)
Finance expenses paid and financing costs	(59.1)	(36.5)
Issuance of common shares, net of issuance costs	1.4	2.6
Net cash generated from (used in) financing activities	**77.7**	**(52.6)**
Investing activities		
Business acquisitions (note 4)	(556.7)	(291.9)
Additions to property and equipment	(98.1)	(79.7)
Proceeds from disposal of property and equipment	4.5	4.8
Additions to intangible assets	(28.7)	(24.4)
Other	0.9	(3.3)
Net cash generated from (used in) investing activities	**(678.1)**	**(394.5)**
Change in non-cash working capital items (note 25b))	6.0	(0.2)
Net cash generated from (used in) investing activities	**75.3**	**(51.9)**
Cash, net of bank overdraft (note 6) – Beginning of period	178.6	230.5
Cash, net of bank overdraft (note 6) - End of period	**253.9**	**178.6**

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

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

01
Business Description

WSP Global Inc. (the "Corporation" or "WSP") is a professional services consulting firm which provides technical expertise and strategic advice to clients in the transportation & infrastructure, property & buildings, environment, industry, resources (including mining and oil and gas) and energy 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 Boulevard West, Montreal, Quebec.

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

02
Summary of Significant Accounting Policies

Basis of Preparation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee Interpretations ('IFRC IC') as issued by the IASB and Part I of the CPA Handbook - Accounting. These financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities at fair value through the consolidated statement of earnings and the consolidated statement of comprehensive income.

These financial statements were approved by the Corporation's Board of Directors on March 13, 2019.

New Accounting Standards Effective in 2018

Adoption of *IFRS 9 - Financial Instruments*

The Corporation has adopted all of the requirements of *IFRS 9 - Financial Instruments*, as at January 1, 2018, with the exception of those pertaining to hedge accounting. *IFRS 9 -Financial Instruments* permits the continued usage of the criteria of *IAS 39 - Financial Instruments: Recognition and Measurement* for hedge accounting, which the Corporation has elected to do so.

The table below summarizes the classification and measurement of the Corporation's financial instruments accounted as under *IFRS 9 -Financial Instruments* as compared to the Corporation's previous policy in accordance with *IAS 39 - Financial Instruments: Recognition and Measurement*.

Classification and measurement	IAS 39 - December 31, 2017	IFRS 9 - January 1, 2018
Assets		
Cash	Amortized cost	Amortized cost
Restricted Cash	Amortized cost	Amortized cost
Trade receivables, other receivables, amounts due from joint ventures and associates undertaking and costs and anticipated profits in excess of billings	Amortized cost	Amortized cost
Other Assets (previously Financial Assets Available for sale)	Fair value through other comprehensive income (FVOCI)	Fair value through profit or loss (FVTPL)
Derivatives	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)
Liabilities		
Accounts payables and accrued liabilities, excluding provisions	Amortized cost	Amortized cost
Dividends payable to shareholders	Amortized cost	Amortized cost
Long-term debt related to credit facility and other debts (including current portion)	Amortized cost	Amortized cost
Other financial liabilities (long and short term)	Amortized cost	Amortized cost
Derivatives	Fair value through profit or loss (FVTPL)	Fair value through profit or loss (FVTPL)

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

IFRS 9 -Financial Instruments uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in *IFRS 9 -Financial Instruments* is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset.

Financial liabilities (excluding derivatives) are derecognized when the obligation specified in the contract is discharged, canceled or expired. For financial liabilities, *IFRS 9 -Financial Instruments* retains most of the *IAS 39 - Financial Instruments*: Recognition and Measurement requirements.

Under *IFRS 9 -Financial Instruments*, changes in fair value of other assets previously classified as financial assets available for sale no longer flow through the statement of comprehensive income but rather through the statement of earnings, under the caption net finance expenses.

IFRS 9 -Financial Instruments does not require restatement of comparative periods. Accordingly, the Corporation has reflected the retrospective impact of the adoption of *IFRS 9 -Financial Instruments*, in line with the table below, as an adjustment to opening components of equity as at January 1, 2018.

The following table summarizes the adjustments, net of tax, made to the Corporation's opening components of equity as a result of the adoption of *IFRS 9 -Financial Instruments*.

	December 31, 2017 - IAS 39	Adjustments	January 1, 2018 - IFRS 9
Equity			
Retained Earnings	91.4	(1.0)	90.4
Accumulated other comprehensive income	86.0	1.0	87.0
Impact on equity		—	

IFRS 9 -Financial Instruments also introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial recognition. The Corporation elected to apply the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets (costs and anticipated profits in excess of billings).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets related to costs and anticipated profits in excess of billings and have substantially all the same risk characteristics as the trade receivables for the same types of contracts. The Corporation has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The adoption of the expected credit loss impairment model did not have a significant impact on the Corporation's financial statements.

Deferred Financing Fees

Deferred financing fees are capitalized and amortized over the life of the credit facility agreement.

Determination of Fair Value

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market inputs and minimizing the use of unobservable inputs.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial Instruments- Policy Applicable Prior to January 1, 2018

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification, as described below. The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments.

Loans and Receivables

Trade and other receivables and costs and anticipated profits in excess of billings are classified as loans and receivables. Financial assets classified as loans and receivables are accounted for at amortized cost using the effective interest rate method less any impairment loss.

Available for Sale Financial Assets

Financial assets available for sale are non-derivatives, are carried at their fair value and recorded in non-current assets, unless it is anticipated that they will be sold within twelve months of the statement of financial position date. Realized gains or losses arising from changes in the fair value of available for sale assets are included in the consolidated statement of earnings in the period in which they are realized. Unrealized gains and losses are recorded in other comprehensive income.

Other Liabilities

Accounts payable and accrued liabilities, dividends payable to shareholders, long-term debts, and other financial liabilities are classified as other liabilities and are recorded at amortized cost using the effective interest rate method.

Deferred Financing Fees

Deferred financing fees are capitalized and amortized over the life of the credit facilities agreement.

Determination of Fair Value

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets held and offer prices for financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market inputs and minimizing the use of unobservable inputs.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Adoption of *IFRS 15 - Revenue From Contracts With Customers*

IFRS 15 - Revenue from Contracts with Customers specifies how and when to recognize revenues as well as requiring more informative and relevant disclosures. *IFRS 15 - Revenue from Contracts with Customers* superseded *IAS 18 - 'Revenue'*, *IAS 11 - 'Construction Contracts'*, and other revenue recognition related interpretations.

The Corporation adopted *IFRS 15 - Revenue from Contracts with Customers* on January 1, 2018, using the retrospective method with cumulative effect to the opening retained earnings as permitted by *IFRS 15*. The adoption of this standard did not result in a change in revenues amount compared to prior periods and therefore had no impact on the opening retained earnings of the current period.

The Corporation updated and implemented revised procedures and controls to meet the requirements of *IFRS 15 - Revenue from Contracts with Customers*. Additional disclosures required by the adoption of this new standard can be found in notes 8 and 20.

Revenue Recognition

The Corporation derives revenues from the delivery of engineering services. If the Corporation has recognized revenues, but not issued an invoice, then the entitlement to consideration is recognized as a contract asset presented as Costs and anticipated profits in excess of billings on the Corporation's consolidated statement of financial position. The contract asset is transferred to trade receivables when the invoice is issued indicating that the entitlement to payment has become unconditional. If payments are received, or invoices are issued to a customer, prior to the rendering of services, the Corporation recognizes a contract liability under the caption Billings in excess of costs and anticipated profits on the Corporation's consolidated statement of financial position. The contract liability is transferred to revenues once related services have been deemed rendered.

Revenues are measured based on the consideration specified in a contract with a customer. The Corporation typically recognizes revenues over time, using an input measure, as it fulfills its performance obligations in line with contracted terms.

A performance obligation is a promise in the contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenues when, or as, the performance obligation is satisfied. Most of the Corporation's contracts have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. Any modifications or variations to contracts in progress are assessed to determine if they fall under the scope of the existing contract performance obligation or form part of a new performance obligation.

The Corporation's revenues are derived mainly from three types of contracts, as noted below, however, it disaggregates its revenues by market sector and client category (see note 20).

Revenues (and profits) from cost-plus contracts with ceilings and from fixed-price contracts are recognized progressively based on a percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues (and profits) from cost-plus contracts without stated ceilings are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Corporation for subconsultants and other expenses that are recoverable directly from customers are billed to them and therefore are included in revenues. The value of goods and services purchased by the Corporation, when acting as a purchasing agent for a customer, are not recorded as revenues.

The effect of revisions to estimate revenues and costs, including the impact from any modifications or variations to contracts in progress, are recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation (e.g. award or incentive fees).

The Corporation's main market sectors, for purposes of note disclosure required by the adoption of *IFRS 15 - Revenue from Contracts with Customers*, (see note 20) are as follows: Transportation & Infrastructure, Property & Buildings, Environment, Industry, Resources (including mining, oil and gas) and Energy.

Revenues generated from contracts where the end user of services provided is identified to be a public sector related entity are classified as public sector revenues. Entities controlled by any branch of government would be considered public entities.

Revenues generated from contracts where the end user of services provided is not identified as a public-sector related entity are classified as private sector revenues.

Revenues are shown net of value-added tax and after eliminating sales within the Corporation.

Revenue Recognition - Policy Applicable Prior to January 1, 2018

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Corporation's activities. Revenue is shown net of value-added tax and after eliminating sales within the group.

The Corporation recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Corporation's activities as described below. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenues and profits from cost-plus contracts with ceilings and from fixed-price contracts are accounted for using the percentage-of-completion method, which is calculated on the ratio of contract costs incurred to total anticipated costs.

Revenues and profits from cost-plus contracts without stated ceilings and from short-term projects are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Corporation for subconsultants and other expenses that are recoverable directly from clients are billed to them and therefore are included in revenues. The value of goods and services purchased by the Corporation, when acting as a purchasing agent for a client, is not recorded as revenues.

The effect of revisions to estimate revenues and costs is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be significant. Where total contract costs exceed total contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are probable and can be determined reliably.

Consolidation, Joint Arrangements and Associates

These consolidated financial statements include the accounts of the Corporation and its subsidiaries.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries, attributable to non-controlling interests, is disclosed as a component of equity. Their share of net earnings and comprehensive income is recognized directly in equity. Changes in the parent Corporation's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

All intercompany transactions and balances have been eliminated.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains/losses on transactions between the Corporation's companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Corporation's accounting policies.

Joint Arrangements

Joint arrangements are classified as either joint operations or joint ventures. The determination of whether an arrangement is a joint operation or joint venture is based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. Joint arrangements that provide the Corporation with the rights to the individual assets and obligations arising from the arrangement are classified as joint operations and joint arrangements that provide the Corporation with rights to the net assets of the arrangement are classified as joint ventures.

The interests in joint arrangements that are classified as joint operations are accounted for by the Corporation recording its pro rata share of the assets, liabilities, revenues, costs and cash flows using the most recent financial statements of these joint arrangements available.

The interests in joint arrangements that are classified as joint ventures are accounted for using the equity method and disclosed as an investment in the statements of financial position.

Associates

Associates are all entities over which the Corporation has significant influence but not control. Investments in associates are accounted for using the equity method.

Foreign Currency

The consolidated financial statements are presented in Canadian dollars, which is WSP's functional currency.

Items included in the financial statements of each of the Corporation's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the consolidated statements of earnings, except when deferred in other comprehensive income as qualifying for net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash are disclosed within finance expenses.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated at the period-end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

Segment Reporting

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the reportable segments and has been identified as the global leadership team ("GLT"). The Corporation manages through four reportable segments, which are the following: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific – comprising Asia, Australia and New Zealand).

Personnel Costs

Personnel costs include all payroll costs relating to the delivery of consulting services and projects and administrative salaries, such as finance, information technologies, human resources and communications.

Subconsultants and Direct Costs

Subconsultants and direct costs include subconsultant costs and other direct costs incurred to deliver consulting services and that are recoverable directly from the clients.

Other Operational Costs

Other operational costs include but are not limited to fixed costs, such as non-recoverable client services costs, technology costs, professional services costs and insurance.

Acquisition and Integration Costs

Acquisition and integration costs are items of financial performance which the Corporation believes should be separately identified on the face of the consolidated statement of earnings to assist in understanding its operating financial performance.

Acquisition and integration costs include the following:

— Transaction costs related to business acquisitions (successful or not)

— Costs of integrating newly acquired businesses (up to 24 months from date of acquisition)

— IT outsourcing program costs - these costs pertain mainly to non-recurring redundancy and transition costs resulting from the Corporation outsourcing its IT infrastructure and operations support.

— Past service cost related to legacy UK-based defined benefit pension plans (see note 17)

The above are examples; however, from time to time, it may be appropriate to disclose other items under this caption in order to highlight the operating financial performance of the Corporation.

Derivative Financial Instruments and Hedging Activities

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 ongoing 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 the consolidated statements of earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedge risk.

Cash Flow Hedge

The effective portion of changes in the fair value of 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 the consolidated statements of earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when the forecast 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 forecast transaction is ultimately recognized in the consolidated statements of earnings. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statements of 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 the consolidated statements of earnings.

Gains and losses accumulated in equity are transferred to the consolidated statements of earnings if a foreign operation is disposed of, partially or in it entirety.

Cash

Cash consists of cash on hand and balances with banks. For the purposes of the cash flow statement, cash is net of bank overdraft.

Trade Receivables

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less allowance for expected credit losses.

Investments

Investment held in a jointly controlled entity is accounted for using the equity method. Investments in securities are accounted for at fair value with unrealized gains or losses recognized in consolidated statement of earnings. Investments in associates are accounted for using the equity method.

Property and Equipment

Property and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated statement of earnings during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The following table summarizes the depreciation methods, rates and periods used:

	Methods	Rates and periods
Buildings	Declining balance	1% to 4%
Leasehold improvements	Straight-line	Lease term
Furniture and equipment	Straight line/Declining balance	3 to 10 years
Computer equipment	Straight-line/Declining balance	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of earnings within other operational costs.

Intangible Assets

Software

Software acquired separately from a business acquisition are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible Assets Acquired in Business Acquisitions

Intangible assets acquired in business combinations consist of software, customer relationships, contract backlogs, trade names, and non-competition agreements. They are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date. They are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization

Software, contract backlogs, customer relationships, certain trade names and non-competition agreements are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, certain trade names are indefinite-lived intangible assets. The useful life of intangible assets that are not being amortized is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If not, the change in the assessment from indefinite to finite will be accounted for as a change in accounting estimates.

Intangible assets are amortized as follows:

	Methods	Periods
Software	Straight-line	3 to 7 years
Contract backlogs	Straight-line	1 to 9 years
Customer relationships	Straight-line	2 to 14 years
Trade names	Straight-line	3 to 8 years
Non-competition agreements	Straight-line	3 to 5 years

Impairment of Long-Lived Assets

Long-lived assets with finite useful lives are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis on the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less costs to sell ("FVLCS") and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss but is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually on the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. If the higher of the recoverable amount of the CGU's fair value less costs to sell (FVLCS), or its value in use is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

Provisions

Provisions represent liabilities of the Corporation for which the amount or timing is uncertain. Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Long-Term Incentive Plans ("LTIPs")

The Corporation has in place LTIPs for key management personnel under which stock options, cash-settled performance share units ("PSUs"), cash-settled deferred share units ("DSUs") and cash-settled restricted share units ("RSUs") have been and can be issued. Stock options, PSUs and RSUs vest over time in accordance with the terms of the grant. DSUs vest when granted. The instruments pertaining to the LTIPs are calculated at fair value, by applying a pricing model at the end of each reporting period and recorded in non-current liabilities (PSUs, DSUs and RSUs) over the vesting period.

Income Taxes

Income tax is recognized in the consolidated statements of earnings except to the extent that it relates to a business combination, or items recognized in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable or receivable on taxable income or loss for the period, calculated using tax rates and laws that were enacted or substantively enacted for the reporting period. It may also include adjustments for prior periods.

The Corporation follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. This approach also requires the recording of deferred income tax assets related to operating losses and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates applicable when temporary differences and carry forwards are expected to be recovered or settled. Deferred income taxes are not recognized for the initial recognition of goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and joint ventures where the Corporation controls the reversal of the temporary difference and reversal is not expected in the foreseeable future.

Deferred income tax assets for unused tax loss carry forwards and deductible temporary differences are only recognized when it is probable that there will be future taxable profits against which the assets can be utilized. deferred income tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are disclosed as non-current. They are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

As tax legislation is complex and subject to interpretation, in determining current and deferred income taxes, the Corporation takes into account the impact of uncertain tax positions and whether additional taxes and penalties may be due. This assessment, based on judgment, requires estimates and assumptions considering facts and circumstances existing as at the reporting period. Estimates are reviewed each reporting period and updated, based on new information available.

Governmental Assistance and Investment Tax Credits (ITCs)

Governmental assistance and ITCs are recorded when there is reasonable assurance that the Corporation will comply with all the relevant conditions and that the governmental assistance or ITCs will be received. Governmental assistance and ITCs are subject to examination and approval by regulating authorities, and, therefore, the amounts granted may differ from those recorded. Governmental assistance and ITCs determined to be earned by the Corporation are recorded as a reduction of the operating expenses incurred.

Leases

Leases are classified as either operating or finance, based on the substance of the transaction at inception of the lease. The Corporation leases certain office premises and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor. These are classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) are charged to the consolidated statement of earnings on a straight-line basis over the period of the lease.

Finance leases which transfer to the Corporation substantially all the risks and benefits of ownership of the asset are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Finance expenses are charged to the statement of earnings over the period of the agreement. Obligations under finance leases are included in other financial liabilities net of finance costs allocated to future periods. Capitalized leased assets are depreciated over the estimated life of the asset or the lease term.

Pension Schemes

The Corporation maintains a number of defined contribution schemes and contributions are charged to the consolidated statement of earning in the year in which they are due. In addition, the Corporation operates defined benefit schemes which require contributions to be made to separately administered funds. The cost of providing benefits under defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Current service costs, past service costs, curtailment costs and settlement costs along with interest costs which are based on a notional charge based on scheme liabilities during the year, less expected returns on scheme assets, are charged to the consolidated statement of earning. Actuarial gains and losses are fully recognized in equity through the consolidated statements of comprehensive income as they arise. The consolidated statement of financial position reflect the schemes' surplus or deficit at the consolidated statement of financial position date.

Share Capital

Issuance costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of income tax effects.

Dividends

Dividends on common shares are recognized in the Corporation's consolidated financial statements in the period in which the dividends are declared.

Earnings per Share

Basic earnings per share are determined using the weighted average number of shares outstanding during the year.

Diluted earnings per share are determined using the weighted average number of shares outstanding during the period, plus the effects of dilutive potential shares outstanding during the period. The calculation of diluted earnings per share is made using the treasury stock method.

Future Accounting Standard Changes

Adoption of *IFRS 16 - Leases*

In January 2016, the IASB issued *IFRS 16 - Leases*, which sets out new principles for the recognition, measurement and disclosure of leases. This standard supersedes *IAS 17 - Leases*, and other leases-related interpretations, eliminates the classification of leases as either operating or finance type leases and introduces a single lessee accounting model.

This single lease accounting model will result in the recognition of a right-to-use asset, as well as a lease liability reflecting the present value of the future lease payments. Depreciation expense on the right-to-use asset, or right-to use asset expense, and interest expense on the lease liability will replace the operating lease expenses that were recognized under *IAS 17 - Leases*.

IFRS 16 - Leases permits two possible transition methods for its application: a) retrospective with restatement of prior reporting period presented or b) retrospectively with the cumulative effect of initially applying the standard recognized on the date of initial application (modified retrospective method). The Corporation intends to adopt *IFRS 16 - Leases* using the modified retrospective method.

The Corporation expects that the adoption and application of *IFRS 16 - Leases*, effective January 1, 2019, will result in a material increase to its assets and liabilities through the recognition of right-to-use assets and lease liabilities, estimated to range between $1,000 and $1,200.

IFRIC 23, Uncertainty Over Income Tax Treatments

In June 2017, the IFRS Interpretations Committee issued *IFRIC 23* which clarifies how the recognition and measurement requirements of *IAS 12 - Income Taxes*, are applied where there is uncertainty over income tax treatments.

The Corporation has assessed and concluded the impact from the adoption of this accounting interpretation on its financial statements will not be significant.

There are no other IFRS (or IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Corporation.

03 Critical Accounting Estimates and Judgements

Estimates and judgments 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.

Critical Accounting Estimates and Assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Costs and Anticipated Profits in Excess of Billings

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project. Costs and anticipated profits in excess of billings for each project are reviewed on a monthly basis to determine whether the amount is a true reflection of the amount that will be invoiced on the project. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be invoiced, adjustments are made to the costs and anticipated profits in excess of billings. The valuation of costs and anticipated profits in excess of billings involves estimates of the volume of work required to complete the project. Changes in the estimation of work required to complete the projects could lead to the undervaluation or overvaluation of costs and anticipated profits in excess of billings.

Identifiable Intangible Assets and Goodwill

Identifiable intangible assets and goodwill, excluding software and non-competition agreements, represented $3,794.6 of total assets on the consolidated statement of financial position as at December 31, 2018 ($3,267.1 as at December 31, 2017). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, Management used significant estimates and assumptions regarding cash flow projections, economic risk and weighted average cost of capital.

Intangible assets related to business combinations and recognized separately from goodwill are initially recognized at their fair value at the acquisition date and are amortized with determined finite lives. If results differ from estimates, the Corporation may be required to increase amortization or impairment charges.

Claims Provisions

In the normal course of business the Corporation faces legal proceedings for work carried out on projects. The Corporation has professional liability insurance in order to manage risks related to such proceedings. Management estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Claims provisions include litigation costs and also take into account indemnities. Final settlements could have an effect on the financial position or operating results of the Corporation.

Retirement Benefit Obligations

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These key assumptions are assessed regularly according to market conditions and data available to Management. Additional details are given in note 17.

Income Taxes

The Corporation is subject to income tax laws and regulations in several jurisdictions. An estimate is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due in the future. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Critical Judgements in Applying the Corporation's Accounting Policies

Deferred Income Tax Assets

The assessment of the probability of future taxable income in which deferred income tax assets can be utilized is based on the Corporation's most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the numerous jurisdictions in which the Corporation operates are also carefully taken into consideration. The recognition of deferred income tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by Management based on the specific facts and circumstances.

04
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.

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

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 and is subject to a maximum of one year.

2018 Transactions

a) Berger Group Holdings, Inc. ("Louis Berger")

On December 18, 2018, WSP closed the acquisition of Louis Berger. Louis Berger is a US-headquartered leading international professional services firm mainly active in the Transportation & Infrastructure and Environmental & Water sectors, as well as in Master Planning. Louis Berger has approximately 5,000 employees, predominantly located in offices across the United States, with an additional presence across Continental Europe, the Middle East, Africa, Asia (mainly India) and Latin America.

Given the size of the transaction and proximity to the end of fiscal year, the Corporation has not yet completed its fair value assessment of the assets acquired, the liabilities assumed and goodwill. Consequently, the fair value adjustments related to this acquisition are included in goodwill in the preliminary fair value assessment of assets acquired and liabilities assumed. The table below presents Management's preliminary assessment of said fair values of the assets acquired and the liabilities assumed. The final assessment of the fair values will be finalized after the values of the assets and liabilities have been definitely determined. Accordingly, the following values are subject to change and such changes may be material.

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current Assets	
Cash	106.6
Trade, prepaids and other receivables	210.6
Costs and anticipated profits in excess of billings	218.2
Property and equipment	12.8
Computer Software	0.3
Intangible assets	62.4
Deferred income tax assets	17.0
Other non-current assets	84.7
Current Liabilities	
Accounts payable and accrued liabilities	(338.4)
Billings in excess of costs and anticipated profits	(36.7)
Long-term debts	(102.8)
Deferred income tax liabilities	(0.3)
Fair value of identifiable assets and liabilities assumed	**234.4**
Goodwill	350.0
Total purchase consideration	**584.4**
Cash acquired	(106.6)
Cash disbursements	**477.8**

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

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 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value and gross contractual amount of $184.6.

The acquired business contributed revenues of $23.8 and nil net earnings from December 18, 2018 to December 31, 2018. If the acquisition of Louis Berger had occurred on January 1, 2018 and using Louis Berger statutory stand alone financial results, the Corporation's revenues and net earnings for 2018 would have increased by $1,747.1 and $38.8 respectively.

b) Other acquisitions in 2018

In 2018, the Corporation concluded a number of other minor acquisitions. The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed. The final assessment of the fair values will be finalized after the values of the assets and liabilities have been definitively determined. Accordingly, the following values are subject to change and such changes may be material. These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate.

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current Assets	
Cash	5.5
Trade, prepaids and other receivables	12.6
Costs and anticipated profits in excess of billings	4.0
Property and equipment	2.2
Computer software	0.2
Deferred income tax assets	0.7
Other non-current assets	0.5
Current Liabilities	
Accounts payable and accrued liabilities	(15.1)
Billings in excess of costs and anticipated profits	(0.2)
Long-term debts	(0.6)
Fair value of identifiable assets and liabilities assumed	**9.8**
Goodwill	42.2
Total purchase consideration	**52.0**
Cash acquired	(5.5)
Consideration payable	(3.1)
Cash disbursements	**43.4**

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

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 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value and gross contractual amount of $11.9.

2017 Transactions

a) Opus International Consultants Limited ("Opus")

On December 4, 2017, WSP closed the acquisition of Opus. Opus is a multi-disciplinary infrastructure (transportation and water), buildings and asset development management consultancy firm with approximately 3,000 engineers, designers, planners, researchers and advisers across New Zealand, Australia, Canada and the United Kingdom.

In 2018, the Corporation finalized the assessment of the fair values of the 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 has not restated the 2017 consolidated statement of financial position's comparative figures 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 periods subsequent to the acquisition date, and as such, they were accounted for in the current year's consolidated statement of earnings.

The table below presents Management's final assessment of the fair values of the assets acquired and the liabilities assumed.

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current Assets			
Cash	22.4	—	22.4
Trade, prepaids and other receivables	73.3	(0.4)	72.9
Costs and anticipated profits in excess of billings	33.2	(2.3)	30.9
Property and equipment	22.4	—	22.4
Computer software	1.5	—	1.5
Intangible assets	34.5	8.0	42.5
Deferred income tax assets	—	9.5	9.5
Other non-current assets	0.9	—	0.9
Current Liabilities			
Accounts payable and accrued liabilities	(55.3)	(17.3)	(72.6)
Billings in excess of costs and anticipated profits	(18.2)	—	(18.2)
Long-term debts	(52.8)	—	(52.8)
Deferred income tax liabilities	(0.8)	(6.5)	(7.3)
Retirement benefit obligations	(1.7)	(0.3)	(2.0)
Fair value of identifiable assets and liabilities assumed	**59.4**	**(9.3)**	**50.1**
Goodwill	180.1	9.3	189.4
Total purchase consideration	**239.5**	**—**	**239.5**
Cash acquired	(22.4)	—	(22.4)
Consideration payable	(1.8)	1.8	—
Cash disbursements	**215.3**	**1.8**	**217.1**

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

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 is expected to be deductible for income tax purposes.

The receivables acquired had a fair value and gross contractual amount of $66.6.

The acquired businesses contributed revenues of $37.0 and a net loss of $7.4 from December 4, 2017 to December 31, 2017. If these acquisitions had occurred on January 1, 2017, the Corporation's revenues and net earnings for 2017 would have increased by $321.0 and $21.5, respectively.

b) Other acquisitions in 2017

In 2017, the Corporation concluded a number of other acquisitions, notably, POCH ("POCH"), a 730-employee professional services firm in Chile, acquired in the second quarter of 2017 and Consultoría Colombiana S.A. ("ConCol"), a 1,000 professional services firm based in Colombia, acquired in the fourth quarter of 2017.

The final determination of the fair values required some adjustments to the preliminary assessments as shown below. The Corporation has not restated the 2017 consolidated statement of financial position's comparative figures 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 periods subsequent to the acquisition date, and as such, they were accounted for in the current year's consolidated statement of earnings.

The table below presents Management's final assessment of the fair values of the assets acquired and the liabilities assumed.

These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate.

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed			
Current Assets			
Cash	8.8	—	8.8
Trade, prepaids and other receivables	42.9	(3.9)	39.0
Costs and anticipated profits in excess of billings	26.2	1.2	27.4
Property and equipment	7.8	—	7.8
Computer software	2.0	0.4	2.4
Intangible assets	—	0.7	0.7
Deferred income tax assets	8.1	(6.7)	1.4
Other non-current assets	1.7	0.1	1.8
Current Liabilities			
Accounts payable and accrued liabilities	(43.3)	(13.1)	(56.4)
Billings in excess of costs and anticipated profits	(9.9)	5.4	(4.5)
Long-term debts	(21.1)	(0.7)	(21.8)
Other non-current liabilities	(0.8)	1.0	0.2
Deferred income tax liabilities	(5.4)	5.2	(0.2)
Fair value of identifiable assets and liabilities assumed	**17.0**	**(10.4)**	**6.6**
Goodwill	101.5	3.7	105.2
Total purchase consideration	**118.5**	**(6.7)**	**111.8**
Cash acquired	(8.8)	—	(8.8)
Consideration payable	(35.3)	34.4	(0.9)
Cash disbursements	**74.4**	**27.7**	**102.1**

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

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 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value and gross contractual amount of $36.8.

The acquired businesses, comprising mainly of POCH and ConCol, contributed revenues of $26.8 and a net loss of $1.2 from their dates of acquisition to December 31, 2017. If these acquisitions had occurred on January 1, 2017, the Corporation's revenues and net earnings for 2017 would have increased by $70.6 and decreased by $5.4, respectively.

Cash disbursed related to acquisition made prior to 2017 totaled $6.0.

05 Joint Arrangements

The Corporation holds interests in various joint arrangements. The lists below present the most significant joint arrangements that have been identified and classified as joint operations.

2018

Name	Interest	Country
PB/HOK Joint Venture	50%	USA
Phase 2 Partnership (P2P)	50%	USA
Pacific Complete / Woolgoolga to Ballina	40%	Australia
Maryland Transit Partners	27%	USA
General Engineering Consultants	33%	USA
Gateway Trans Hudson Partnership	38%	USA
Kier WSP	50%	England
Scotland Transerv	30%	England
Capital Journeys JV	25%	New Zealand
Marlborough Roads	25%	New Zealand

2017

Name	Interest	Country
Pacific Complete / Woolgoolga to Ballina	40%	Australia
Melbourne Metro	33%	Australia
PB/HOK Joint Venture	50%	USA
Lower South Creek	50%	Australia
Toowoomba Second Range Crossing	50%	Australia
Sydney Rapid Transit	50%	Australia
Atlanta Aviation	41%	USA
Kier WSP	50%	England
Inland Rail Design JV	65%	Australia
Gateway Trans Hudson Partnership	38%	USA

There are no significant contingent liabilities relating to the Corporation's interest in the above identified joint operations, and no contingent liabilities of the venture itself.

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

06
Cash

	2018	2017
	$	$
Cash	254.7	185.1
Less: Bank overdraft (note 16)	(0.8)	(6.5)
Cash net of bank overdraft	**253.9**	**178.6**

07
Trade, Prepaid and Other Receivables

	2018	2017
	$	$
Trade receivables	1,656.8	1,391.4
Allowance for expected credit loss	(101.6)	(84.5)
Net trade receivables	1,555.2	1,306.9
Amounts due from joint ventures and associates undertaking	15.1	19.4
Other receivables	188.3	116.8
Prepaid expenses	99.0	111.6
	1,857.6	1,554.7

The aging of gross trade receivables past due was as follows:

	2018	2017
	$	$
Current	581.5	541.3
Past due 0-30 days	507.4	365.0
Past due 31-60 days	195.0	159.6
Past due 61-90 days	85.5	59.8
Past due 91-180 days	115.3	109.7
Past due over 180 days	172.1	156.0
	1,656.8	1,391.4
Allowance for expected credit loss	(101.6)	(84.5)
Balance – End of Period	1,555.2	1,306.9

The Corporation is exposed to credit risk with respect to its trade receivables and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and no single customer represents more than 10.0% of revenues.

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

08

Costs and Anticipated Profits in Excess of Billings and Billings in Excess of Costs and Anticipated Profits

Changes in Costs and anticipated profits in excess of billings (contract assets) and in Billings in excess of costs and anticipated profits (contract liabilities) are as follows:

	2018		2017	
	Costs and anticipated profits in excess of billings DR/(CR)	Billings in excess of costs and anticipated profits DR/(CR)	Costs and anticipated profits in excess of billings DR/(CR)	Billings in excess of costs and anticipated profits DR/(CR)
Balance - Beginning of Period	905.0	(483.8)	824.0	(483.4)
Revenues recognized through Billings in excess of costs and anticipated profits during the period	—	2,396.2	—	2,047.8
Increases due to cash received or amounts invoiced prior to rendering of services	—	(2,527.9)	—	(2,031.1)
Transfers from Costs and anticipated profits in excess of billings recognized at the beginning of the period to trade receivables	(5,568.2)	—	(4,846.3)	—
Revenues recognized via increases/decreases as a result of changes in measure of progress during the period	5,511.9	—	4,894.4	—
Increases/decreases due to business combinations/disposals	221.1	(31.5)	54.9	(31.9)
Exchange difference	46.3	(31.3)	(22.0)	14.8
Balance - End of Period	**1,116.1**	**(678.3)**	**905.0**	**(483.8)**

09

Other Assets

	2018	2017
	$	$
Financial assets*	95.6	97.6
Investments in associates	82.8	4.6
Investments in joint ventures	10.6	6.8
Other	3.0	4.0
	192.0	113.0

* Included in Financial assets are investments in a multitude of mutual funds, based on employees' investment elections, with respect of the deferred compensation obligations of the Corporation as disclosed in note 17. The fair value of these investments is $95.1 ($97.1 in 2017), determined by the market price of the funds at the reporting date.

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

10
Property and Equipment

	Freehold land and buildings	Leasehold improvements	Furniture and equipment	Computer equipment	Total
	$	$	$	$	$
Balance as at January 1, 2017					
Cost	32.9	169.5	172.8	149.4	524.6
Accumulated depreciation	(7.2)	(53.1)	(88.2)	(83.4)	(231.9)
Net value	25.7	116.4	84.6	66.0	292.7
Additions	—	19.7	22.0	38.0	79.7
Additions through business acquisitions (note 4)	2.8	0.2	20.7	7.8	31.5
Disposals	(5.0)	—	(0.4)	(0.2)	(5.6)
Depreciation for the year	(1.1)	(21.2)	(25.5)	(31.8)	(79.6)
Exchange differences	0.3	(0.1)	(3.7)	0.2	(3.3)
	(3.0)	(1.4)	13.1	14.0	22.7
Balance as at December 31, 2017	22.7	115.0	97.7	80.0	315.4
Balance as at December 31, 2017					
Cost	28.3	205.5	221.1	207.0	661.9
Accumulated depreciation	(5.6)	(90.5)	(123.4)	(127.0)	(346.5)
Net value	22.7	115.0	97.7	80.0	315.4
Additions	—	31.5	30.2	44.0	105.7
Additions through business acquisitions (note 4)	1.4	4.9	7.2	1.5	15.0
Disposals	(1.1)	(0.3)	(1.8)	(0.5)	(3.7)
Depreciation for the year	(0.5)	(24.8)	(28.2)	(38.3)	(91.8)
Exchange differences	0.7	6.9	0.4	2.0	10.0
	0.5	18.2	7.8	8.7	35.2
Balance as at December 31, 2018	23.2	133.2	105.5	88.7	350.6
Balance as at December 31, 2018					
Cost	28.5	246.0	223.3	246.8	744.6
Accumulated depreciation	(5.3)	(112.8)	(117.8)	(158.1)	(394.0)
Net value	23.2	133.2	105.5	88.7	350.6

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

11
Intangible Assets

	Software	Contract backlogs	Customer relationships	Non-competition agreements	Trade names	Total
	$	$	$	$	$	$
Balance as at January 1, 2017						
Cost	119.1	167.1	237.7	2.5	80.4	606.8
Accumulated amortization	(57.1)	(59.4)	(117.9)	(2.1)	(14.6)	(251.1)
Net value	62.0	107.7	119.8	0.4	65.8	355.7
Additions	23.6	—	—	—	0.8	24.4
Additions through business acquisitions (note 4)	7.3	5.9	58.7	—	—	71.9
Disposals	(0.1)	—	—	—	—	(0.1)
Amortization for the year	(25.6)	(30.5)	(27.8)	(0.4)	(4.9)	(89.2)
Exchange differences	(0.1)	(4.6)	(3.3)	—	0.5	(7.5)
	5.1	(29.2)	27.6	(0.4)	(3.6)	(0.5)
Balance as at December 31, 2017	67.1	78.5	147.4	—	62.2	355.2
Balance as at December 31, 2017						
Cost	160.4	160.5	275.1	2.5	81.3	679.8
Accumulated amortization	(93.3)	(82.0)	(127.7)	(2.5)	(19.1)	(324.6)
Net value	67.1	78.5	147.4	—	62.2	355.2
Additions	28.7	—	—	—	—	28.7
Additions through business acquisitions (note 4)	0.9	25.3	43.5	—	2.3	72.0
Disposals	—	—	—	—	—	—
Amortization for the year	(31.5)	(41.6)	(23.7)	—	(5.8)	(102.6)
Exchange differences	1.1	4.6	6.8	—	1.9	14.4
	(0.8)	(11.7)	26.6	—	(1.6)	12.5
Balance as at December 31, 2018	66.3	66.8	174.0	—	60.6	367.7
Balance as at December 31, 2018						
Cost	176.1	196.0	306.8	—	81.8	760.7
Accumulated amortization	(109.8)	(129.2)	(132.8)	—	(21.2)	(393.0)
Net value	66.3	66.8	174.0	—	60.6	367.7

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

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the WSP trade name, is $49.6 as at December 31, 2018 ($48.4 in 2017).

The Corporation performed its annual impairment test for the WSP trade name as at September 30, 2018 and October 1, 2017 in accordance with its policy described in note 2. As a result, no impairment for the WSP trade name was recorded.

During the year, the Corporation acquired intangible assets amounting to $100.7 ($96.3 in 2017), all of which are subject to amortization.

12 Goodwill

	2018	2017
	$	$
Balance – Beginning of period	2,979.0	2,783.6
Goodwill resulting from business acquisitions (note 4)	405.2	251.2
Exchange differences	109.0	(55.8)
Balance – End of period	3,493.2	2,979.0

Goodwill amounting to $3,493.2 ($2,979.0 as at December 31, 2017) is allocated to the Corporation's CGUs. The carrying value of goodwill by CGU is identified in the table below:

	2018	2017
	$	$
Goodwill allocated to CGUs		
Canada	891.2	891.2
Americas	1,509.3	1,068.3
UK	320.5	312.6
Nordics	333.5	306.8
New Zealand	197.3	182.4
Australia	99.8	81.4
Asia	74.4	68.5
Other	67.2	67.8
	3,493.2	2,979.0

Impairment Test of Goodwill

The Corporation performed its annual impairment test for goodwill as at September 30, 2018 and October 1, 2017 in accordance with its policy described in note 2. The key assumptions used to determine the fair value for the different CGUs for the most recently completed impairment calculations for 2018 and 2017 are discussed below. The Corporation has not identified any indicators of impairment at any other date and as such has not completed an additional impairment calculation. The fair value of each CGU exceeded its carrying value. As a result, no goodwill impairment was recorded.

Valuation Technique

Fair Value Less Costs to Sell ("FVLCS")

The fair value of the CGUs has been determined based on the FVLCS. Fair Value Measurement is defined in IFRS 13 as a market-based measurement rather than an entity-specific measurement.

Therefore, the fair value of the CGU must be measured using the assumptions that market participants would use rather than those related specifically to the Corporation. In determining the FVLCS of the CGUs, an income approach using the discounted cash flow methodology was utilized. In addition, the market approach was employed in assessing the reasonableness of the conclusions reached.

Income Approach

The discounted cash flow ("DCF") technique provides the best assessment of what each CGU could be exchanged for in an arm's length transaction as fair value is represented by the present value of expected future cash flows of the business together with the residual value of the business at the end of the forecast period. The DCF was applied on an enterprise-value basis, where the after-tax cash flows prior to interest expense are discounted using a weighted-average cost of capital ("WACC"). This approach requires assumptions regarding revenue growth rates, adjusted EBITDA and adjusted EBITDA margins, level of working capital, capital expenditures, tax rates and discount rates.

Market Approach

It is assumed under the market approach that the value of a Corporation reflects the price at which comparable companies in the same industry are purchased under similar circumstances. A comparison of a CGU to similar companies in the same industry whose financial information is publicly available may provide a reasonable basis to estimate fair value. Fair value under this approach is calculated based on an adjusted EBITDA multiple compared to the average median multiple based on publicly available information for comparable companies and transaction prices.

Key Assumptions Used in Determining the FVLCS

Cash Flow Projections

The cash flow projections, covering a five-year period ("projection period"), were based on financial projections approved by management using assumptions that reflect the Corporation's most likely planned course of action, given management's judgment of the most probable set of economic conditions, adjusted to reflect the perspective of the expectations of a market participant. Adjusted EBITDA is based on actual and estimated values in the first year of the projection period, budgeted values in the second year of the projection period, and these are increased over the projection period using an approximate growth rate for anticipated efficiency improvements. The growth rate applied to the cash flow projections for the Corporation's CGUs ranged from 2.0% to 5.0% at September 30, 2018, and October 1, 2017. The Corporation also considered past experience, economic trends as well as industry and market trends in assessing reasonableness of financial projections used.

Discount Rate

The discount rate (WACC) reflects the current market assessment of the risk specific to comparable companies. The discount rate was based on the weighted-average cost of equity and cost of debt for comparable companies within the industry. The discount rate represents the after tax weighted average cost of capital ("WACC"). Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. The post-tax WACC applied to the Corporation's CGUs ranged between 7.50% and 13.25%, at September 30, 2018 (7.50% and 13.25% at October 1, 2017).

Terminal Growth Rate

Growth rates used to extrapolate the Corporation's projection were determined using published industry growth rates in combination with inflation assumptions and the input of each CGU's management group based on historical trend analysis and future expectations of growth. The terminal growth rate applied to the cash flow projections for the Corporation's CGUs was 3.0% at September 30, 2018, and October 1, 2017.

Costs to Sell

The costs to sell for each CGU have been estimated at approximately 0.75% (2018 and 2017) of the CGU's enterprise value. The costs to sell reflect the incremental costs, excluding finance costs and income taxes, which would be directly attributable to the disposal of the CGU, including legal and direct incremental costs incurred in preparing the CGU for sale.

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

Sensitivity to Changes in Assumptions

As at September 30, 2018, no reasonably possible change in any of the key assumptions used in determining their FVLCS would have caused the carrying values of the Corporation's CGUs to materially exceed their respective recoverable amounts (FVLCS).

13

Long-Term Incentive Plans ("LTIPs")

In 2011, the Corporation adopted a long term incentive plan (the "LTI Plan") for certain employees under which restricted share units or stock options could be issued. The total number of shares reserved and available for grant and issuance pursuant to the LTI Plan is limited to 2,080,950 shares. In 2014, the Corporation also adopted a Performance Share Unit Plan pursuant to which cash-settled performance share units ("PSUs") could be issued. In 2015, the Corporation adopted a Deferred Share Unit Plan pursuant to which cash-settled deferred share units ("DSUs") could be issued and in 2016, the Corporation adopted a Restricted Share Unit Plan pursuant to which cash-settled restricted share units ("RSUs") could be issued. The LTI Plan, the Performance Share Unit Plan, the Deferred Share Unit Plan and the Restricted Share Unit Plan are collectively referred to as the "LTIPs".

RSUs

The RSUs are settled in cash and vest after three years. The measurement of the compensation expense and corresponding liability for these awards is based on the fair value of the award, and is recorded as an expense, or recovery, evenly over three years. At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the common shares on the TSX, or change in the number of units, are recorded as an expense or recovery.

The 2018 payout for RSUs amounted to $0.6 ($0.5 in 2017). The Corporation recorded an expense of $3.1 during the year ($2.5 in 2017) related to the RSUs in Personnel Costs. As at December 31, 2018, 139,726 RSUs were outstanding (118,630 in 2017) and the cumulative obligation stood at $6.0 ($3.5 in 2017).

Stock Options

Options granted under the stock option plan, to officers and employees, may be exercised during a period not exceeding ten years from the date of grant. Options vest three years after the date of grant. Any unexercised options will expire at the earlier of one month after the date a beneficiary ceases to be an employee or the expiration date of the stock options granted.

During the year, 35,745 options were exercised at a prices ranging from $35.45 to $41.49.

As at December 31, 2018, 693,583 stock options were outstanding (657,829 in 2017) of which 594,079 stock options had vested (471,350 in 2017), at exercise prices ranging from $35.12 to $59.75 ($35.12 to $49.28 in 2017).

The fair value of stock options at the grant date was measured using the Black-Scholes option pricing model. The historical share price of the Corporation's common shares is used to estimate expected volatility, and government bond rates are used to estimate the risk-free interest rate. The following table illustrates the inputs used in the measurement of the fair values of the stock options at the grant date granted during the period ended December 31, 2018 and December 31, 2017:

	2018	2017
Expected stock price volatility	20%-35%	20%-35%
Dividend	2.00%-3.00%	3.25%-3.75%
Risk-free interest rate	2.25%-2.50%	1.75%-2.25%
Fair value – weighted average of options issued	$14.50-$15.50	$9.50-$10.50

During the year, the Corporation recorded a stock-based compensation expense of $1.0 ($1.4 in 2017) in Personnel Costs.

PSUs

The PSUs are settled in cash and vest if certain Corporation performance targets are met and payable yearly, starting in 2017. The measurement of the compensation expense and corresponding liability for these awards is based on the fair value of the award, and is recorded as an expense or recovery over the vesting period of the award. At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the common shares on the

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

TSX, or change in the number of units based on the expected Corporation's performance, are recorded as an expense or recovery.

The 2018 payout for PSUs amounted to $12.3 ($8.4 in 2017). The Corporation recorded an expense of $23.3 during the year ($8.8 in 2017) related to the PSUs in Personnel Costs. As at December 31, 2018, there were 639,544 PSUs outstanding (663,721 in 2017) and the cumulative obligation stood at $28.7 ($17.7 in 2017).

DSUs

The DSUs are settled in cash and vest as issued. The measurement of the expense and corresponding liability for these awards is based the market value of the Corporation's common shares. At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the Corporation's common shares on the TSX, or change in the number of units, are recorded as an expense or recovery.

As at December 31, 2018, there are 102,801 DSUs outstanding (68,227 in 2017). The Corporation recorded an expense of $2.5 (3.2 in 2017) related to the DSUs in Personnel Costs, and paid out an amount of $0.1 during the year ($0.2 in 2017), leaving the cumulative obligation at $6.5 ($4.1 in 2017).

In 2018, the Corporation entered into derivative financial instruments with Canadian financial institutions to limit the Corporation's exposure to the variability of LTIP based units 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 FVTPL. 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. For the 2018 fiscal year, the mark-to-market loss recorded in Personnel Costs amounted to $1.8.

14

Accounts Payable and Accrued Liabilities

	2018	2017
	$	$
Trade payables	737.7	518.5
Employee benefits payable	588.3	472.5
Sale taxes	82.0	65.9
Amounts due to joint venture and associated undertakings	10.0	3.1
Accrued expenses and other payables	275.7	203.0
Provisions	246.9	220.1
	1,940.6	1,483.1
Less: Non-current provisions	153.1	121.2
Accounts payable and accrued liabilities	1,787.5	1,361.9

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

	Claims provisions	Property provisions	Other provisions	Total
	$	$	$	$
Balance as at December 31, 2016	123.2	82.9	20.3	226.4
Business acquisitions	(0.3)	5.9	7.7	13.3
Additional provision	7.5	14.1	—	21.6
Paid or otherwise settled	(9.3)	(11.2)	(14.2)	(34.7)
Exchange differences	(2.5)	(4.0)	—	(6.5)
Balance as at December 31, 2017	118.6	87.7	13.8	220.1
Business acquisitions	7.6	9.7	30.2	47.5
Additional provision	15.5	31.8	2.2	49.5
Paid or otherwise settled	(34.9)	(29.2)	(15.9)	(80.0)
Exchange differences	3.7	5.3	0.8	9.8
Balance as at December 31, 2018	110.5	105.3	31.1	246.9

15
LONG-TERM DEBTS

	2018	2017
	$	$
Credit facility	1,460.4	1,094.0
Other debts	43.1	64.7
	1,503.5	1,158.7
Less: Current portion	42.3	276.3
	1,461.2	882.4

The installments due on long-term debts over each of the next three years amount to $42.3 in 2019, $273.8 in 2020 and $1,187.4 in 2021 and beyond.

Credit Facility

WSP has in place a US$1,800.0 million credit facility with a syndicate of financial institutions (the "Lenders") comprised of:

— a senior unsecured non-revolving term credit facility which consists of a principal amount of US$600.0 million (the "Term Facility"), made up of three term loans of US$200.0 million, expiring on December 31, 2020, December 18, 2021 and December 18, 2022, respectively; and

— a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million (the "Revolving Credit Facility"). The maturity date of the Revolving Credit Facility is December 31, 2022.

The credit facility bears interest at Canadian prime rate, US-based rate, Bankers' acceptances rate and LIBOR plus an applicable margin of up to 2.5% that will vary depending on the type of advances and the Corporation's ratios, as defined in the agreement with the Lenders. The Corporation pays a commitment fee on the available unused credit facility.

Under the credit facility, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated adjusted EBITDA and the interest coverage ratios, which are non-IFRS measures. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facility. All covenants have been met as at December 31, 2018 and December 31, 2017.

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

Under the credit facility and bilateral facilities, the Corporation may issue irrevocable letters of credit up to $678.0 . As at December 31, 2018, the Corporation issued irrevocable letters of credit totaling $416.2 ($242.6 in 2017).

As at December 31, 2018, the Corporation had available other operating lines of credit amounting to $138.7 ($145.6 in 2017), of which $126.5 ($80.2 in 2017) were unused at year-end.

Credit facility allocation by borrowed currency:

	2018	Base currency	2017	Base currency
	$		$	
US dollar	1,456.6	1,067.6	1,046.8	832.6
Sterling pound	—	—	10.6	6.2
Swedish Krona	3.8	24.7	2.8	18.2
Canadian dollar	—	—	33.8	—
	1,460.4		1,094.0	

16

Other Financial Liabilities

	2018	2017
	$	$
Bank overdraft (note 6)	0.8	6.5
Notes payable	11.2	50.1
Obligations under finance leases	9.2	14.6
	21.2	71.2
Less: Current portion	14.5	45.8
	6.7	25.4

The installments due on financial liabilities are as follows: $14.5 in 2019, and $6.7 in 2020.

17

Pensions Schemes

Pension costs included in personnel costs consist of the following:

	2018	2017
	$	$
Defined benefit pension schemes current service cost	8.3	6.6
Defined benefit pension schemes employer contributions	12.2	11.2
Defined contribution pension schemes employer contributions	75.4	70.0
	95.9	87.8

The Corporation operated both defined contribution and defined benefit pension schemes. Defined contributions are charged to the consolidated statements of earnings as they are incurred.

In Canada, the Corporation has defined contribution retirement savings plans for its employees. Pursuant to these plans, the Corporation pays a contribution equivalent to the employee contribution up to a maximum varying from 3% to 5% of the employee's salary. An employee acquires the whole employer contributions after two years of continuous service or if he loses his job due to a layoff resulting from a lack of work.

In the United Kingdom, there are five separate defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Corporation in independently administered funds.

On October 26, 2018, a UK High Court judgment was made in respect of the gender equalization of guaranteed minimum pensions ("GMPs") for occupational pension schemes which is expected to create a precedent for other UK defined benefit pension schemes. The Corporation, with the help of its actuarial advisers, has calculated a preliminary provision of $6.0 for this matter, which it has recognized in its 2018 financial results.

For IAS 19 purposes, the Corporation has treated this event as a plan amendment resulting in an increase in Retirement benefit obligations in the consolidated statement of financial position and a corresponding past service cost in the consolidated statement of earnings. The past service cost, due to its nature and in alignment with the Corporation's accounting policies (see note 2), was grouped under the Acquisition and integration costs caption in its consolidated statement of earnings.

In Sweden, a proportion of the multi-employer Government-run defined benefit plan is carried on the Corporation's consolidated statement of financial position. Future service accrual under this arrangement ceased in 2008 where the employees became fully included in the Government plan's arrangements. The multi-employer Government plan retains substantial other assets to meet the balance of pension liabilities. As the directors are unable to identify the underlying assets and liabilities of this element of the scheme, it is treated as a defined contribution scheme for the purposes of IAS 19 "Employee Benefits."

In the US, the Corporation maintains a deferred compensation plan accounted for under IAS 19 where an element of employees' compensation is deferred and invested in financial assets (as disclosed in note 9) in a trust, the assets of which are for the ultimate benefit of the employees but are available to the Corporation's creditors in the event of insolvency.

For funded and unfunded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability in the consolidated statement of financial position. Actuarial gains and losses are recognized in full as they arise in the consolidated statement of comprehensive income. These reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

The actuarial cost charged to the consolidated statements of earnings in respect of defined benefit plans consists of current service cost, net interest on defined benefit liability (asset), past service cost and costs of curtailments.

The liabilities of the Corporation arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Valuations are performed annually. Actuarial advice is provided by both external consultants and actuaries. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located and are set out below. To develop the expected long-term rate of return on assets assumption, the Corporation considered the current level of expected returns on risk-free investments (primarily UK government bonds) and the historical level of risk premium associated with the other asset classes in which the portfolio is invested. The expected return for each asset class was then applied to the schemes' asset allocations to develop the overall expected long-term rate of return on assets for the combined portfolios.

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

Assumptions

	2018	2017
United Kingdom		
Rate of increase in pension payments	2.10% to 3.05%	2.05% to 2.20%
Discount rate	2.90% to 2.95%	2.55%
Inflation assumption	2.25% to 3.25%	2.20% to 3.20%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.9	87.9
– Women	89.7	89.7
Sweden		
Discount rate	2.50%	2.60%
Inflation assumption	2.00%	1.90%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.0	87.0
– Women	89.0	89.0
United States		
Discount rate	3.40% to 3.75%	2.70% to 3.00%

The major categories of plan assets pertaining to the UK defined benefits pension schemes are as follows:

	December 31, 2018		December 31, 2017	
	Fair value $	%	Fair value $	%
Equities	55.7	27	77.4	38
Bonds	80.8	39	79.6	39
Other	68.7	34	47.2	23

Amounts recognized in the statements of financial position are as follows:

	2018	2017
	$	$
Fair value of plan assets (United Kingdom)	205.2	204.2
Present value of funded obligations (United Kingdom)	(233.4)	(244.1)
Deficit (United Kingdom)	(28.2)	(39.9)
Present value of unfunded obligations (Sweden)	(50.2)	(47.8)
Present value of unfunded obligations (United States)	(119.3)	(119.0)
Pension liability	(197.7)	(206.7)

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

Amounts recognized in the consolidated statements of earnings are as follows:

	2018	2017
	$	$
Current service cost	8.3	6.6
Past service cost	6.0	—
Total service costs	14.3	6.6

	2018	2017
	$	$
Interest expenses	9.8	9.7
Expected return on plan assets	(5.3)	(4.7)
Net finance expenses on pension obligations	4.5	5.0

Changes in the present value of the defined benefit obligation are as follows:

	2018	2017
	$	$
Present value of obligation – Beginning balance	410.9	395.3
Present value of obligation – Acquisition	—	12.7
Current service cost	8.3	6.6
Past service cost	6.0	—
Contributions from scheme members	0.2	0.3
Benefits paid	(28.5)	(28.5)
Interest expenses	9.8	9.7
Actuarial (gain)/loss (assumptions)	(13.0)	3.5
Actuarial (gain)/loss (experience)	(6.8)	12.1
Exchange differences	16.0	(0.8)
Present value of obligation – Ending balance	402.9	410.9

Changes in the fair value of plan assets are as follows:

	2018	2017
	$	$
Fair value of plan assets – Beginning balance	204.2	177.2
Fair value of plan assets – Acquisition	—	11.0
Expected return on plan assets	5.3	4.7
Contributions from scheme members	0.2	0.3
Contributions from employer	12.2	11.2
Benefits paid	(14.6)	(12.6)
Actuarial gain/(loss) (experience)	(7.3)	8.0
Exchange differences	5.2	4.4
Fair value of plan assets – Ending balance	205.2	204.2

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

Net retirement obligations deficit summary:

	2018	2017
	$	$
Fair value of scheme assets	205.2	204.2
Present value of scheme liabilities	(402.9)	(410.9)
Deficit	(197.7)	(206.7)

Cumulative actuarial (losses)/gains recognized in equity are as follows:

	2018	2017
	$	$
Beginning balance	(17.6)	(10.0)
Net actuarial (loss)/gain recognized in the year	12.5	(7.6)
Balance – End of year	(5.1)	(17.6)

The Corporation's defined benefit plans expose it to interest risk, inflation risk, longevity risk, currency risk and market investment risk. Sensitivity analysis of the overall pension deficit to changes in principal assumptions is shown below:

Assumption	Change	Impact on deficit
Discount rate	+/- 0.1%	Decrease/increase $5.3
Inflation rate	+/- 0.1%	Decrease/increase $2.9
Mortality	+/- 1 year	Decrease/increase $12.4

The combined employee and employer contributions expected to be paid in 2018, pertaining to the Corporation's defined benefit pension schemes, are expected to be approximately $11.8.

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

18
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, 2017	101,371,137	2,491.6
Shares issued under the DRIP	1,716,486	82.7
Shares issued upon exercise of stock options*	72,969	3.1
Balance as at December 31, 2017	103,160,592	2,577.4
Shares issued under the DRIP (note 24)	1,245,079	77.4
Shares issued upon exercise of stock options*	35,745	1.7
Balance as at December 31, 2018	104,441,416	2,656.5

* The carrying value of the common shares includes $0.3 ($0.5 in 2017) which corresponds to a reduction in contributed surplus representing the value of accumulated compensation costs associated with the stock options exercised during the period.

As at December 31, 2018, no preferred shares were issued.

19
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 facility.

For capital management, the Corporation has defined its capital as the combination of long-term debts, shareholders' equity and non-controlling interest, net of cash (net of bank overdraft).

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

	2018	2017
	$	$
Long-term debts	1,503.5	1,158.7
Shareholders' equity	3,259.0	2,959.0
Non-controlling interest	0.7	—
	4,763.2	4,117.7
Less: Cash net of bank overdraft	(253.9)	(178.6)
	4,509.3	3,939.1

The Corporation's financing strategy is to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth organically and through business acquisitions. The Corporation monitors its capital structure using the consolidated funded debt to consolidated adjusted EBITDA ratio. This ratio is used to determine what the maximum debt level would be.

In order to maintain and adjust its capital structure, the Corporation may issue new shares in the market, contract bank loans and negotiate new credit facilities.

20
Revenues

The tables below present the Corporation's revenues by market sector and client category. In 2018, approximately 76% of the revenues noted below were generated from cost-plus contracts with ceilings and fixed price contracts and approximately 24% from cost-plus contracts without stated ceilings.

	2018	2017
	$	$
Market sector		
Transportation & Infrastructure	4,126.6	3,492.1
Property & Buildings	1,877.1	1,707.8
Environment	835.1	819.0
Industry	148.1	139.4
Resources	429.4	352.2
Power & Energy	336.0	272.3
Other Services	155.8	159.4
	7,908.1	6,942.2
Client Category		
Public sector	4,420.6	4,089.2
Private sector	3,487.5	2,853.0
	7,908.1	6,942.2

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

Unfulfilled performance obligations represent the Corporation's remaining contractual obligations related to signed cost-plus contracts with ceilings and fixed price contracts on which work has commenced as of December 31, 2018. Cost-plus contracts without stated ceilings have been excluded as the full amount of the contracted work cannot be definitely assessed.

Contract execution timing is subject to many factors outside of the Corporation's control. Project scope changes, client-driven time lines and project financing are just a few examples of such factors. Below is the Corporation's best estimate with regards to the unwinding of its December 31, 2018 unfulfilled performance obligations.

	Next 12 months	More than 12 months	Total
Unfulfilled performance obligations	3,365.3	2,977.1	6,342.4

21
Acquisition and Integration Costs

	2018	2017
	$	$
Business acquisition related costs	7.3	6.3
Business integration related costs	35.0	22.1
IT outsourcing program costs	14.0	—
UK-based defined pension plan past services cost (note 17)	6.0	—
	62.3	28.4

Included in acquisition and integration costs are personnel costs of $19.9 and $6.2, for 2018 and 2017, respectively.
Business integration related costs pertain to costs incurred for the integration of acquired businesses for a period of up to 24 months from the date of acquisition.

22
Net Finance Expenses

	2018	2017
	$	$
Interest related to credit facility	45.8	33.8
Net finance expenses on pension obligations	4.5	5.0
Exchange loss/(gain) on assets/liabilities in foreign currencies	7.6	3.5
Other interest and bank charges	10.4	6.5
Loss/(gain) on financial assets in others assets	4.3	(7.7)
Interest income	(3.8)	(4.2)
	68.8	36.9

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

23
Income Taxes

The components of income tax expense for 2018 and 2017 were as follows:

	2018	2017
	$	$
Current tax		
Current tax on earnings for the year	101.1	97.0
Adjustments in respect of prior years	(11.5)	7.9
Total current tax	89.6	104.9
Deferred tax		
Origination and reversal of temporary differences	(18.3)	(10.0)
Impact of change in tax rates	(1.6)	16.0
Adjustments in respect of prior years	10.8	(8.8)
Total deferred tax	(9.1)	(2.8)
Total income tax expense	80.5	102.1

The reconciliation of the difference between the income tax expense using the combined Canadian federal and provincial statutory tax rate of 26.7% (26.8% in 2017) and the actual effective tax rate is as follows:

	2018		2017	
	$	%	$	%
Earnings before income tax expense	329.3	—	315.4	—
Expected income tax expense at the combined Canadian federal and provincial statutory rate	87.9	26.7	84.5	26.8
Changes resulting from:				
Foreign tax rate differences	(19.4)	(5.9)	(3.2)	(1.0)
Non-deductible expenses/ (non-taxable income), net	8.8	2.7	5.1	1.6
Unrecognized tax benefits, net	4.5	1.4	0.9	0.3
Adjustments in respect of prior years	(0.7)	(0.2)	(0.9)	(0.3)
Effect of change in tax rates*	(1.5)	(0.5)	16.0	5.1
Other items	0.9	0.2	(0.3)	(0.1)
	80.5	24.4	102.1	32.4

* On December 22, 2017, President Trump signed the Tax Cuts and Jobs Act into legislation reducing the US federal corporate income tax rate from 35% to 21%. As a result, the Corporation incurred a charge to other comprehensive income of $0.4 and an income tax expense of $16.0, due to a remeasurement of deferred income tax assets and liabilities.

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

In 2018 and 2017, unrecognized tax benefits, net, represented the impact of unrecognized current and prior years tax benefits related mostly to foreign subsidiaries where recovery is not considered probable, partly offset by the recognition of previously unrecognized deferred income tax assets related to certain subsidiaries that generated profits in the current year.

As at December 31, 2018, and 2017, the significant components of deferred income tax assets and liabilities were as follows:

2018

	As at January 1	Credited (charged) to statement of earnings	Credited (charged) to other comprehensive income	Business acquisitions	Exchange differences	As at December 31
	$	$	$	$	$	$
Deferred income tax assets						
Deductible provisions upon settlement	102.1	3.3	—	24.9	4.4	134.7
Tax loss carry forwards	22.6	1.9	—	1.5	(1.0)	25.0
Pension Plan	43.9	(0.5)	(3.5)	—	2.7	42.6
Deferred issuance-related costs	3.3	(2.2)	—	—	—	1.1
Property and equipment	14.3	(1.2)	—	—	0.2	13.3
Other temporary differences	25.3	(1.2)	0.2	14.3	2.2	40.8
	211.5	0.1	(3.3)	40.7	8.5	257.5
Deferred income tax liabilities						
Costs and anticipated profits in excess of billings	(92.2)	7.5	—	1.0	(0.7)	(84.4)
Holdbacks	(11.6)	6.9	—	—	(0.3)	(5.0)
Property and equipment	(11.3)	(0.4)	—	(4.2)	(0.7)	(16.6)
Intangible assets and goodwill	(68.1)	12.5	—	(11.7)	(3.7)	(71.0)
Other temporary differences	(11.4)	(17.5)	(1.0)	(6.9)	(1.9)	(38.7)
	(194.6)	9.0	(1.0)	(21.8)	(7.3)	(215.7)
Total	**16.9**	**9.1**	**(4.3)**	**18.9**	**1.2**	**41.8**

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

2017

	As at January 1	Credited (charged) to statement of earnings	Credited (charged) to other comprehensive income	Business acquisitions	Exchange differences	As at December 31
	$	$	$	$	$	$
Deferred income tax assets						
Deductible provisions upon settlement	109.2	(11.5)	—	7.1	(2.7)	102.1
Tax loss carry forwards	25.9	(5.0)	—	1.5	0.2	22.6
Pension Plan	65.1	(18.7)	(0.3)	0.3	(2.5)	43.9
Deferred issuance-related costs	5.9	(2.6)	—	—	—	3.3
Property and equipment	4.5	1.7	—	7.6	0.5	14.3
Other temporary differences	33.9	(11.8)	0.1	4.6	(1.5)	25.3
	244.5	(47.9)	(0.2)	21.1	(6.0)	211.5
Deferred income tax liabilities						
Costs and anticipated profits in excess of billings	(80.3)	(10.1)	—	(0.3)	(1.5)	(92.2)
Holdbacks	(18.2)	5.8	—	—	0.8	(11.6)
Property and equipment	(29.3)	17.9	—	(0.9)	1.0	(11.3)
Intangible assets and goodwill	(91.5)	36.9	—	(16.7)	3.2	(68.1)
Other temporary differences	(12.3)	0.2	0.9	(0.4)	0.2	(11.4)
	(231.6)	50.7	0.9	(18.3)	3.7	(194.6)
Total	**12.9**	**2.8**	**0.7**	**2.8**	**(2.3)**	**16.9**

The deferred income taxes are presented as follows on the consolidated statements of financial position:

	2018	2017
	$	$
Deferred income tax assets	116.1	91.4
Deferred income tax (liabilities)	(74.3)	(74.5)
Net Deferred income tax assets/(liabilities)	41.8	16.9

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

As at December 31, 2018, the Corporation recognized deferred income tax assets of $25.0 ($22.6 as at December 31, 2017) related to certain subsidiaries tax losses of the current and prior years. The deferred income tax assets are recognized, as the Corporation believes it is probable that taxable profits will be available in the future against which the tax loss carry forwards can be utilized.

As at December 31, 2018, the Corporation had $102.4 ($29.5 as at December 31, 2017) of unrecognized deferred income tax assets related to $341.1 ($113.3 as at December 31, 2017) of tax loss carry forwards, of which $246.9 ($42.1 as at December 31, 2017) expire between 2019 and 2038 with the remainder having no expiry, and $116.2 ($5.5 as at December 31, 2017) of gross temporary differences with no expiry. The Corporation considers the recovery of those unrecognized deferred income tax assets as not probable.

A deferred tax liability relating to taxable temporary differences amounting to $385.0 as at December 31, 2018 ($198.0 as at December 31, 2017), associated with the undistributed earnings of subsidiaries, has not been recognized, as the Corporation controls the timing of the reversal of these temporary differences and does not expect they will reverse in the foreseeable future. Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to corporate or withholding taxes.

24
Dividends

The Corporation aims to declare and pay dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Corporation in 2018 was $156.0 or $1.50 per share.

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, $77.4 was reinvested in 1,245,079 common shares under the DRIP.

On January 15, 2019, on the payment of the fourth quarter dividend, $19.6 was reinvested in 324,812 additional common shares under the DRIP.

25
Statements of Cash Flows

a) Adjustments

	2018	2017
	$	$
Depreciation and amortization	194.4	168.8
Share of earnings of associates and joint-ventures (net of tax)	(0.8)	(0.3)
Defined benefit pension scheme expense	14.3	6.6
Cash contribution to defined benefit pension schemes	(12.2)	(11.2)
Foreign exchange and non-cash movements	14.0	0.7
Other	(38.6)	(24.9)
	171.1	139.7

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

b) Change in Non-Cash Working Capital Items

	2018	2017
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(7.1)	(59.4)
Costs and anticipated profits in excess of billings	94.9	(48.2)
Increase (decrease) in:		
Accounts payable and accrued liabilities	26.0	86.4
Billings in excess of costs and anticipated profits	60.6	(16.6)
	174.4	(37.8)

c) Transactions Arising From Cash Flows - Long-Term Debts

			2018
			$
	Increase of debt	Repayment of debt	Total
Credit facility	15,158.9	(14,879.5)	279.4
Other long-term debts	—	(61.7)	(61.7)
	15,158.9	(14,941.2)	217.7

			2017
			$
	Increase of debt	Repayment of debt	Total
Credit facility	9,885.1	(9,804.2)	80.9
Other long-term debts	—	(14.1)	(14.1)
	9,885.1	(9,818.3)	66.8

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

26
Related Party Transactions

The Corporation controls and consolidates an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The table below list the Corporation's most significant subsidiaries.

		Interest	
Entity	Country of incorporation	2018	2017
Parsons Brinckerhoff Holdings Inc.	USA	100%	100%
WSP UK Limited	England	100%	100%
WSP Canada Inc.	Canada	100%	100%
WSP Sverige AB	Sweden	100%	100%
WSP Australia Pty Ltd	Australia	100%	100%
WSP Canada Group Ltd	Canada	100%	100%
WSP Asia Limited	Hong Kong	100%	100%
Opus International Consultants Ltd	New Zealand	100%	100%
WSP Consultancy Pte Ltd	Singapore	100%	100%
WSP Hong Kong Limited	Hong Kong	100%	100%

Key management compensation

Key management includes the President and Chief Executive Officer and the members of the GLT. The compensation paid or payable to key management is shown below:

	2018	2017
	$	$
Short-term employee benefits	21.9	14.7
Share-based awards	9.5	8.8
	31.4	23.5

27
Financial Instruments

Fair Value

Cash, trade and other receivables, costs and anticipated profits in excess of billings, accounts payable, dividends payable to shareholders, bank overdrafts, long-term debt related to credit facility, and other financial liabilities are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Corporation's financial instruments are valued is as follows:

— Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;

— Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;

— Level 3 includes inputs for the assets or liability that are not based on observable market data.

As at December 31, 2018, and 2017, other assets fair values are valued under Level 1. Foreign currency risk based financial instruments' fair values, notably foreign currency forward contracts and cross currency swap agreements, are valued under Level 2.

Financial Risk Management

The Corporation is exposed to credit risk, foreign currency risk, interest rate risk and liquidity risk. The following analyses provide a measurement of those risks as at December 31, 2018, and 2017.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Corporation to significant credit risk consist principally of cash, trade and other receivables, and costs and anticipated profits in excess of billings. The Corporation's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments, which is $3,129.4 as at December 31, 2018, and $2,533.2 as at December 31, 2017.

The Corporation's cash is held with known financial institutions. Therefore, the Corporation considers the risk of non-performance on these instruments to be minimal.

The Corporation's credit risk is principally attributable to its trade receivables and costs and anticipated profits in excess of billings. The amounts disclosed in the consolidated statements of financial position are net of an allowance for expected credit loss, estimated by the Corporation's Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Corporation does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all its customers and establishes an allowance for expected credit loss when the likelihood of collecting the account has significantly diminished. The Corporation believes that the credit risk of trade accounts receivable is limited. During the years ended December 31, 2018, and 2017, credit losses incurred for were not significant.

The Corporation mitigates its credit risk by providing services to diverse clients in various market sectors, countries and sectors of the economy.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation operates internationally and is exposed to currency risks arising from its operating activities denominated in US dollars, Sterling pound, Swedish krona, Australian dollars, Euros, New Zealand dollars, and other currencies as well as to its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Corporation has investments in foreign operations, whose net assets are exposed to foreign currency risk. This risk is partly offset through borrowings denominated in the relevant foreign currency. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income account in shareholders' equity, as part of the currency translation adjustment.

During the fourth quarter of 2018, the Corporation entered into cross currency swaps for a nominal amount of US$232.6 million to hedge a portion of its US denominated debt at a US/CAD rate of 1.3502, a nominal amount of US$7.0 million at a GBP/US rate of 1.2727 and a nominal amount of US$59.6 million at a US/SEK rate of 9.0436. The fair market value loss amounted to US$1.4 million and was recorded in the statement of earnings. All cross currency swap agreements expire in the first quarter of 2019.

The Corporation also entered into foreign currency forward contracts and options strategies mainly to hedge the variability in the expected foreign currency exchange rate of certain currencies against the Canadian dollar. The net fair market value loss of these forward contracts and options amounted to US$4.6 million and was recorded in the consolidated statement of earnings.

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Corporation's net earnings. Management believes that a 10% change (10% in 2017) in exchange rates could be reasonably possible.

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

The table below summarizes the impacts of a 10% weakening or strengthening in the exchange rates on the net earnings and statement of other comprehensive income:

2018

	US Dollar	Sterling Pound	Swedish Krona	Australian Dollar
Net earnings	8.5	0.3	2.5	2.4
Other comprehensive income	52.5	1.1	3.8	0.3

2017

	US Dollar	Sterling Pound	Swedish Krona	Australian Dollar
Net earnings	5.3	1.5	2.4	2.1
Other comprehensive income	4.6	1.7	1.1	5.8

Interest Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to its long-term debt and other non current financial liabilities with floating interest rates. This risk is partially offset by cash held at variable rates.

A 100 base point spread ("BPS") fluctuation in interest rates would not have a material impact on the Corporation's consolidated net earnings.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Corporation maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Corporation watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. WSP has access to committed lines of credit with banks (note 15).

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

The tables below present the contractual maturities of financial liabilities as at December 31, 2018, and 2017. The amounts disclosed are contractual undiscounted cash flows.

2018

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities, including non-current portion of provisions	1,940.6	1,940.6	1,787.5	153.1	—
Dividends payable to shareholders	39.2	39.2	39.2	—	—
Long-term debts, including current portion	1,503.5	1,727.0	44.0	297.0	1,386.0
Financial liabilities, including current portion	21.2	22.3	15.1	7.2	—
	3,504.5	3,729.1	1,885.8	457.3	1,386.0

2017

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities, including non-current portion of provisions	1,483.1	1,483.1	1,361.9	121.2	—
Dividends payable to shareholders	38.7	38.7	38.7	—	—
Long-term debts, including current portion	1,158.7	1,257.8	287.8	28.9	941.1
Financial liabilities, including current portion	71.2	73.0	45.8	18.2	9.0
	2,751.7	2,852.6	1,734.2	168.3	950.1

As at December 31, 2018, the Corporation had unused credit facilities of $918.0 ($584.7 in 2017), net of outstanding letters of credit of $77.6 ($81.6 in 2017), and cash net of bank overdraft of $253.9 ($178.6 in 2017).

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

28
Commitments and Contingencies

Leases

The Corporation leases various office premises and equipment under operating lease agreements. The lease terms vary from six months to ten years, and the majority of lease agreements can be renewed at market rates.

The lease expenditure included in the consolidated statements of earnings amounted to $217.8 for the year ended December 31, 2018 ($194.2 for the year ended December 31, 2017).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	$	$
No later than 1 year	253.0	187.0
Later than 1 year and no later than 5 years	778.4	713.8
Later than 5 years	391.6	242.0
	1,423.0	1,142.8

Contingencies

The Corporation is currently facing legal proceedings for work carried out in the normal course of its business. The Corporation takes out a professional liability insurance policy in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisers and on its experience in the settlement of similar proceedings, Management believes that the Corporation has accounted for sufficient provisions in that regard and that the final settlement should not exceed the insurance coverage significantly or should not have a material effect on the financial position or operating results of the Corporation.

As a government contractor, the Corporation may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to the Corporation's ongoing business with government entities. Since 2012, the Corporation has been the object of investigations in several regions within the Province of Québec. Such investigations have not given rise to any charges against the Corporation.

During the course of 2017, the Corporation, in connection with the voluntary reimbursement program established pursuant to Bill 26, An Act to ensure mainly the recovery of amounts improperly paid as a result of fraud or fraudulent tactics in connection with public contracts, enacted in April 2015, settled with certain municipalities and satisfied its obligations under such settlements. In December 2018, the Corporation was made aware that the Office of the Syndic of the Ordre des ingénieurs du Québec had lodged a complaint against the vice-chairman, in his capacity as an engineer member of the Ordre des ingénieurs du Québec, relating to alleged omissions, negligence and other derogatory acts under the Code of Ethics of Engineers (Québec). Events referred to in the complaint overlap with the events at the source of the herein-mentioned investigations and settlements. The complaint is not directed or made against the Corporation. The Corporation is taking steps to address any other contingencies relating to the above but cannot predict at this time the final outcome, potential losses or amounts that may have to be reimbursed to any governmental authorities, if any, with respect to any investigation by such governmental authorities in respect of these facts, including the possibility that their scope may be broadened which could have an impact on its future results of operations.

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

On March 13, 2019, the Québec Superior Court approved a settlement between the Corporation, Canada's Competition Bureau and Director of Public Prosecutions. As a result of the settlement, the Corporation will not face any prosecution in connection with the award of municipal infrastructure contracts in Québec between 2002 and 2011.

29 Segment Information

(a) Major Customers

As at December 31, 2018, no individual customer represented more than 10% of the Corporation's consolidated revenues or trade receivables.

(b) Segmented Information

The Corporation manages through four reportable segments, which are the following: 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 GLT assesses the performance of the reportable segments based on revenues, net revenues and adjusted EBITDA before Global Corporate costs. Adjusted EBITDA before Global Corporate costs excludes items such as business acquisition transaction and integration expenses, and Global Corporate costs, which the Corporation believes should not be considered when assessing the underlying financial performance of the reportable segments. Global 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 and income taxes.

Sales between segments are carried out at arm's length and are eliminated upon consolidation.

The revenues reported to the GLT are measured in a similar manner as in the consolidated statements of earnings and exclude intersegmental revenues.

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

					2018
	Canada	Americas	EMEIA	APAC	Total
Revenues	1,263.4	2,752.6	2,683.8	1,208.3	7,908.1
Less: Subconsultants and direct costs	(209.8)	(994.4)	(491.7)	(191.6)	(1,887.5)
Net revenues	1,053.6	1,758.2	2,192.1	1,016.7	6,020.6
Adjusted EBITDA before Global Corporate costs	147.1	257.3	225.4	117.5	747.3
Global corporate costs					(87.3)
Acquisition and integration costs					(62.3)
Financial expenses					(72.6)
Depreciation and amortization					(194.4)
Share of taxation and amortization of associates					(1.4)
Earnings before income tax					329.3

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

					2017
	Canada	Americas	EMEIA	APAC	Total
Revenues	1,180.4	2,528.5	2,373.5	859.8	6,942.2
Less: Subconsultants and direct costs	(203.0)	(878.0)	(388.8)	(115.8)	(1,585.6)
Net revenues	977.4	1,650.5	1,984.7	744.0	5,356.6
Adjusted EBITDA before Global Corporate costs	120.6	220.2	197.0	76.4	614.2
Global corporate costs					(59.0)
Acquisition and integration costs					(28.4)
Financial expenses					(41.1)
Depreciation and amortization					(168.8)
Share of taxation and amortization of associates					(1.5)
Earnings before income tax					315.4

(c) Geographic Information

The following revenues have been allocated to geographic regions based on the countries of operation of the Corporation.

	2018	2017
	$	$
United States	2,571.6	2,456.2
Canada	1,263.4	1,180.4
United Kingdom	1,244.7	1,004.2
Sweden	711.3	680.7
Australia	560.3	463.5
Asia	356.0	356.9
New Zealand	292.0	39.4
Others	908.8	760.9
	7,908.1	6,942.2

The Property and equipment, goodwill and intangible assets are allocated in the following countries:

	2018	2017
	$	$
United States	1,723.6	1,221.4
Canada	1,009.8	1,032.0
United Kingdom	362.1	346.9
Sweden	274.9	272.3
New Zealand	245.7	234.5
Australia	120.1	102.3
Asia	91.5	89.0
Others	383.8	351.2
	4,211.5	3,649.6

Corporate Governance

Board of Directors

01
Christopher Cole
Professional Non-Executive Director
Director since 2012
Independent
Chairman of the Board of Directors

02
Pierre Shoiry
Vice Chairman of the Board of Directors
Director since 2006
Non-independent

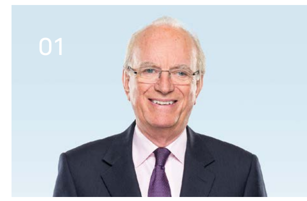
03
Alexandre L'Heureux
President and Chief Executive Officer, WSP Global Inc.
Director since 2016
Non-independent

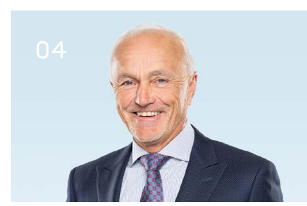
04
Louis-Philippe Carrière
Senior Advisor, Saputo Inc.
Director since 2017
Independent
Chair of the Audit Committee

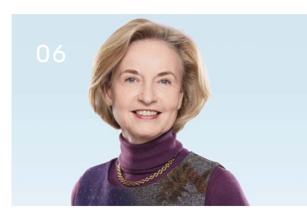
05
Linda Galipeau
Professional Non-Executive Director
Director since 2019
Independent
Chair of the Governance, Ethics and Compensation Committee

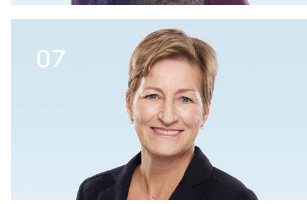
06
Birgit Nørgaard
Professional Non-Executive Director
Director since 2013
Independent
Member of the Governance, Ethics and Compensation Committee

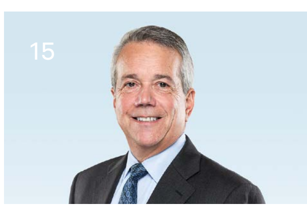
07
Suzanne Rancourt
Professional Non-Executive Director
Director since 2016
Independent
Member of the Audit Committee











Global Leadership Team

Corporate

01
Alexandre L'Heureux
President and Chief Executive Officer

02
Bruno Roy
Chief Financial Officer

03
Paul Dollin
Chief Operating Officer

04
Robert Ouellette
Chief Corporate Services Officer

05
Isabelle Adjahi
Senior Vice President, Investor Relations and Communications

06
Alain Michaud
Senior Vice President, Operational Performance and Strategic Initiatives

Regions

07
Ryan Brain
President and Chief Executive Officer, Canada

08
Greg Kane
Managing Director, Middle East

09
Gregory A. Kelly
Chief Executive Officer, USA

10
Ivy Kong
Managing Director, Asia

11
Magnus Meyer
Managing Director, Nordics

12
Mark Naysmith
Chief Executive Officer, UK and South Africa

13
Guy Templeton
President and Chief Executive Officer, Australia and New Zealand

Sectors

14
André-Martin Bouchard
Global Director, Environment and Resources

15
Dave McAlister
Global Director, Transport and Infrastructure

16
Tom Smith
Global Director, Property and Buildings

Shareholder Information

Annual Meeting of Shareholders

The annual meeting will be held at 10:00 am, Eastern Time (EDT), on May 15, 2019 at:

Holiday Inn & Suites
Stanley A Room
1390 René-Lévesque Blvd W.
Montreal, Quebec
H3G 0E3

E-delivery of Shareholder Documents

We invite you to sign up for electronic delivery of information. The benefits of e-delivery include access to important corporate documents in a convenient, timely and environmentally friendly way that also reduces printing and mailing costs.

Registered Shareholders

Registered shareholders may enroll for the electronic delivery service by visiting https://ca.astfinancial.com/edelivery.

Beneficial Shareholders

For shareholders who hold their shares with an investment dealer or financial institution, access www.investordelivery.com or contact your investment advisor to enroll for the electronic delivery service.

Request for Corporate Documents

Registered and Beneficial Shareholders

If you want to receive an annual report and/or quarterly reports, you may do one of the following:

— Telephone 1-800-387-0825

— Visit AST's website at https://ca.astfinancial.com/financialstatements and input code 8548a

If you need help with the following:

— Additional financial or statistical information

— Industry and corporate developments

— Latest news releases and investor presentations

Contact Investor Relations at WSP Global Inc.:

Isabelle Adjahi
Senior Vice President, Investor Relations and Communications
+1 438-843-7548
isabelle.adjahi@wsp.com

If you need help with the following:

— Dividend Reinvestment Plan

— Change of address and e-delivery of shareholder documents

— Dividend payments or direct deposit of dividends

— Transfer or loss of share certificates and estate settlements

Contact the transfer agent and registrar:

AST Trust Company (Canada)
2001 Robert-Bourassa Blvd, Suite 1600
Montreal, Quebec
H3A 2A6, Canada

+1 416-682-3860 or
1-800-387-0825

inquiries@astfinancial.com
www.astfinancial.com

Filings

The Corporation files all mandatory information with Canadian securities commissions. This information is available on the SEDAR website at www.sedar.com and at www.wsp.com.

Certifications

Certifications by the Corporation's Chief Executive Officer and Chief Financial Officer in compliance with the Canadian Securities Administrators' National Instrument 52-109 related to the Corporation's annual disclosure are filed in Canada on the SEDAR website at www.sedar.com.

Corporate Governance Practices

The Corporation's governance practices are set out in its Management Information Circular, which is filed with Canadian securities authorities and is available on the SEDAR website at www.sedar.com, and on the Corporation's website at www.wsp.com. The Corporate Governance Guidelines of the Corporation are also available on the Corporation's website at www.wsp.com.

Business Conduct Hotline Service

WSP is committed to promoting ethical and honest behaviour and ensuring that WSP employees feel safe and secure in their work environment. In support of this commitment, WSP operates a confidential Business Conduct Hotline service through an independent third party, Expolink, to facilitate reporting of potential misconduct or breaches of the WSP Code of Conduct and underlying policies. The confidential email address for this service is wsp@expolink.co.uk. Further details of the service and international free phone numbers are available on the Corporation's website at www.wsp.com.

Corporate Information

WSP Global Inc.
1600 René-Lévesque Blvd W., 11th Floor
Montreal, Quebec
H3H 1P9, Canada
+ 1 514-340-0046

Stock Exchange Listings

WSP Global Inc. is listed on the Toronto Stock Exchange under the symbol WSP.

Common Shares Outstanding

At March 13, 2019, there were 104,766,228 common shares outstanding.

Dividend Policy

The Corporation declared, for 2018 and 2017, dividends of $1.50 per share. The Board of Directors has determined that the current level of quarterly dividend is appropriate based on the Corporation's current earnings and financial requirements for the Corporation's operations. The dividend is currently expected to remain at this level subject to the Board's ongoing assessment of the Corporation's future requirements, financial performance, liquidity, outlook and other factors that the Board may deem relevant. The actual amount of each quarterly dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board of Directors.

Independent Auditors

PricewaterhouseCoopers LLP,
Chartered Professional Accountants

WSP is one of the world's leading professional services consulting firms, bringing together approximately 48,000 talented people globally. We are technical experts who design and provide strategic advice on sustainable solutions, engineering projects that will help societies grow for lifetimes to come.

Pour obtenir une version française du rapport annuel, veuillez communiquer avec le service des relations avec les investisseurs.

This Annual Report contains "forward-looking" statements that reflect our expectations regarding our future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are subject to a number of risks and uncertainties. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, but not limited to, those set forth elsewhere in this Annual Report and listed under the heading "Risk Factors" in the Management's Discussion and Analysis for the year ended December 31, 2018. The discussion of the Corporation's financial position and results of operations contained in this Annual Report should be read in conjunction with the financial statements for the year ended December 31, 2018.

wsp.com/annual-report