FIRST QUARTER ENDED MARCH 31, 2018

CONSOLIDATED FINANCIAL STATEMENTS UNAUDITED

MAY 09, 2018

ABOUT US

WSP is one of the world's leading professional services consulting firms. We are dedicated to our local communities and propelled by international brainpower. We are technical experts and strategic advisors including engineers, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. We design lasting solutions in the Transportation & Infrastructure, Property & Buildings, Environment, Industry, Resources (including Mining and Oil & Gas) and Power & Energy sectors as well as project delivery and strategic consulting services. With 43,000 talented people in 550 offices across 40 countries, we engineer projects that will help societies grow for lifetimes to come.

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

(in millions of Canadian dollars)

	March 31, 2018	December 31, 2017 (Restated - note 2)
Assets	$	$
Current assets		
Cash (note 4)	192.6	185.1
Restricted cash	6.1	6.8
Trade, prepaid and other receivables	1,620.9	1,554.7
Income taxes receivable	14.2	18.0
Costs and anticipated profits in excess of billings (note 5)	996.9	905.0
	2,830.7	2,669.6
Non-current assets		
Other assets	115.7	113.0
Deferred income tax assets	91.6	91.4
Property and equipment	321.5	315.4
Intangible assets	348.3	355.2
Goodwill (note 6)	3,068.2	2,979.0
Total assets	**6,776.0**	**6,523.6**
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,367.1	1,361.9
Billings in excess of costs and anticipated profits (note 5)	559.1	483.8
Income taxes payable	56.6	47.9
Dividends payable to shareholders (note 12)	38.8	38.7
Current portion of long-term debts (note 7)	279.5	276.3
Other current financial liabilities	18.4	45.8
	2,319.5	2,254.4
Non-current liabilities		
Long-term debts (note 7)	946.9	882.4
Other non-current financial liabilities	20.2	25.4
Provisions	128.3	121.2
Retirement benefit obligations	210.6	206.7
Deferred income tax liabilities	72.2	74.5
Total liabilities	**3,697.7**	**3,564.6**
Equity		
Equity attributable to shareholders		
Share capital (note 8)	2,597.4	2,577.4
Contributed surplus	204.3	204.2
Accumulated other comprehensive income (note 2)	175.3	87.0
Retained earnings (note 2)	101.3	90.4
Total equity	**3,078.3**	**2,959.0**
Total liabilities and equity	**6,776.0**	**6,523.6**

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 (UNAUDITED)

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

	March 31, 2018	April 1, 2017
	$	$
Revenues (note 9)	**1,910.7**	**1,633.9**
Personnel costs	1,136.9	989.7
Subconsultants and direct costs	441.0	358.0
Occupancy costs	65.6	57.6
Other operational costs	134.6	114.6
Acquisition and integration costs (note 10)	7.2	3.0
Depreciation of property and equipment	21.7	18.7
Amortization of intangible assets	25.2	20.1
Exchange loss (gain)	1.1	0.8
Share of income of associates and joint ventures (net of tax)	(0.2)	(0.3)
Total net operational costs	**1,833.1**	**1,562.2**
Net finance expenses (note 11)	12.2	7.6
Earnings before income taxes	**65.4**	**64.1**
Income-tax expense	15.7	16.5
Net earnings for the period	**49.7**	**47.6**
Net earnings attributable to:		
Shareholders	49.7	47.6
Non-controlling interests	—	—
	49.7	47.6
Basic net earnings per share attributable to shareholders	0.48	0.47
Diluted net earnings per share attributable to shareholders	0.48	0.47
Basic weighted average number of shares	103,505,642	101,773,124
Diluted weighted average number of shares	103,701,337	101,864,124

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)

	March 31, 2018	April 1, 2017
	$	$
Comprehensive income		
Net earnings for the period	49.7	47.6
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments (net of tax expense/(recovery) of $3.9 ($0.7 in 2017))	102.8	3.5
Fair value re-evaluations – available-for-sale assets (net of tax expense/(recovery) of $1.6 in 2017)	—	2.6
Translation adjustments on financial instruments designated as net investment hedge (net of tax expense/(recovery) of ($2.1) ($0.4 in 2017))	(14.2)	2.3
Items that will not be reclassified to net earnings		
Actuarial gain/(loss) on pension schemes (net of tax expense/(recovery) of ($0.1) ($0.2 in 2017))	(0.3)	0.6
Total comprehensive income for the period	**138.0**	**56.6**
Comprehensive income attributable to:		
Shareholders	138.0	56.6
Non-controlling interests	—	—
	138.0	**56.6**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings (deficit) $	Accumulated other comprehensive income $	Total $	Non-controlling interests $	Total equity $
Balance - December 31, 2016	**2,491.6**	**203.3**	**31.9**	**132.8**	**2,859.6**	**0.9**	**2,860.5**
Common shares issued under the DRIP	21.3	—	—	—	21.3	—	21.3
Stock-based compensation expense	—	1.1	—	—	1.1	—	1.1
Comprehensive income							
Net earnings for the period	—	—	47.6	—	47.6	—	47.6
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	0.6	0.6	—	0.6
Currency translation adjustments	—	—	—	3.5	3.5	—	3.5
Fair value re-evaluations – available-for-sale assets (net of tax)	—	—	—	2.6	2.6	—	2.6
Net investment hedge (net of tax)	—	—	—	2.3	2.3	—	2.3
Total comprehensive income	**—**	**—**	**47.6**	**9.0**	**56.6**	**—**	**56.6**
Declared dividends to shareholders	—	—	(38.2)	—	(38.2)	—	(38.2)
Disposal of subsidiary	—	—	—	—	—	(0.9)	(0.9)
Balance - April 1, 2017	**2,512.9**	**204.4**	**41.3**	**141.8**	**2,900.4**	**—**	**2,900.4**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

(in millions of Canadian dollars)

	Attributable to Shareholders						
	Share capital $	Contributed Surplus $	Retained earnings (deficit) $	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	—	—	—
Balance - December 31, 2017 (restated)	**2,577.4**	**204.2**	**90.4**	**87.0**	**2,959.0**	**—**	**2,959.0**
Common shares issued under the DRIP (note 8)	19.2	—	—	—	19.2	—	19.2
Exercise of stock options (note 8)	0.8	(0.1)	—	—	0.7	—	0.7
Stock-based compensation expense	—	0.2	—	—	0.2	—	0.2
Comprehensive income							
Net earnings for the period	—	—	49.7	—	49.7	—	49.7
Actuarial gain/(loss) on pension schemes (net of tax)	—	—	—	(0.3)	(0.3)	—	(0.3)
Currency translation adjustments	—	—	—	102.8	102.8	—	102.8
Net investment hedge (net of tax)	—	—	—	(14.2)	(14.2)	—	(14.2)
Total comprehensive income	**—**	**—**	**49.7**	**88.3**	**138.0**	**—**	**138.0**
Declared dividends to shareholders (note 12)	—	—	(38.8)	—	(38.8)	—	(38.8)
Balance - March 31, 2018	**2,597.4**	**204.3**	**101.3**	**175.3**	**3,078.3**	**—**	**3,078.3**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions of Canadian dollars)

	March 31, 2018	April 1, 2017
	$	$
Cash flows generated from (used in) operating activities		
Net earnings for the period	49.7	47.6
Adjustments (note 13a))	48.4	32.4
Income tax expenses	15.7	16.5
Income taxes paid	(11.5)	(6.3)
Net finance expenses (note 11)	12.2	7.6
Change in non-cash working capital items (note 13b))	(54.0)	(74.7)
Net cash generated from (used in) operating activities	**60.5**	**23.1**
Cash flows generated from (used in) financing activities		
Dividends paid to shareholders	(19.5)	(16.7)
Net variation in long-term debts	45.5	23.5
Repayment of other financial liabilities	(4.2)	(4.4)
Finance expenses paid and financing costs	(11.1)	(6.2)
Issuance of common shares, net of issuance costs	0.7	—
Dividends paid to a non-controlling interest	—	—
Net cash generated from (used in) financing activities	**11.4**	**(3.8)**
Cash flows generated from (used in) investing activities		
Business acquisitions	(41.3)	(2.8)
Additions to property and equipment	(19.6)	(12.7)
Proceeds from disposal of property and equipment	0.7	0.1
Additions to intangible assets	(6.2)	(5.9)
Other	0.2	—
Net cash generated from (used in) investing activities	**(66.2)**	**(21.3)**
Effect of exchange rate change on cash	7.5	3.2
Net change in cash	**13.2**	**1.2**
Cash, net of bank overdraft – Beginning of period	178.6	230.5
Cash, net of bank overdraft (note 4) - End of period	**191.8**	**231.7**

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

NOTES

1 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 power & 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”).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, “Interim Financial Reporting.” The accounting policies followed in these interim condensed consolidated financial statements are the same as those applied in the Corporation’s annual consolidated financial statements for the year ended December 31, 2017, except for those pertaining to financial instruments and revenue recognition, as a result of the adoption of *IFRS 9 -Financial Instruments* and *IFRS 15 - Revenue from Contracts with Customers*, in the current interim period, detailed below.

All disclosures required for annual consolidated financial statements have not been included in these interim condensed consolidated financial statements. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation’s most recent audited annual consolidated financial statements.

The accompanying interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Corporation’s results of operations, financial position and cash flows. The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year.

These interim condensed consolidated financial statements were approved by the Corporation’s Board of Directors on May 9, 2018.

These interim condensed consolidated 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 in the consolidated statement of comprehensive income.

The Corporation experiences seasonal trends in its business. In terms of revenues, excluding the impact of acquisitions, the first quarter of the fiscal year is typically the Corporation’s weakest quarter while the third quarter is usually its strongest quarter.

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

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 continuing using the criteria of *IAS 39 - Financial Instruments: Recognition and Measurement* for hedge accounting, which the Corporation has elected to do so.

The table below summarized 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, other receivables 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	Amortized cost	Amortized cost
Dividends payable	Amortized cost	Amortized cost
Long-term debt related to credit facilities (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)

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 flows through the statement of comprehensive income but rather through the statement of earnings, under the caption net finance expenses.

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

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 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		
	As previously reported	Adjustments	As restated
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.

To measure the expected credit losses, trade receivables and contract assets have been group based on share 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.

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 modified retrospective method as permitted by *IFRS 15*. The adoption of this standard did not result in any change in the recognition of revenues compared to prior periods and therefore no comparative figures have been restated.

The Corporation updated and implemented revised procedures and controls to meet the requirements of *IFRS 15 - Revenue from Contracts with Customers* for the change in the presentation reported in the Corporation's unaudited interim condensed consolidated financial statements for the first quarter ended March 31, 2018. Additional disclosures required by the adoption of this new standard for these interim condensed financial statements can be found in notes 5 and 9.

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

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

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 revenues are derived mainly from three types of contracts, as noted below, however, desegregates its revenues by market segment and client category (see note 9).

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), where they are probable and can be determined reliably.

The Corporation's main market segments, for purposes of note disclosure required by the adoption of *IFRS 15 - Revenue from Contracts with Customers,* (see note 9) are as follows:

Transportation & Infrastructure: The Corporation's experts analyze, plan, design and manage projects for rail transit, aviation, highway, maritime and urban infrastructure. Public and private clients, construction contractors, and partners from around the world seek our expertise 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.

Property & Buildings: The Corporation is a provider of technical and management consultancy services 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.

Environment: The Corporation has specialists working with and advising businesses and governments in all key areas of the environment sector. 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 from risk management, permitting authorizations and regulatory compliance to handling and disposal of hazardous materials, land remediation, environmental and social impact assessment, and employee health and safety.

Industry: The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology, automotive and chemicals. Our experts offer a unique blend 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. Our experts offer a full range of consulting and engineering services 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.

Resources (including mining, oil and gas): 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 their 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.

Power & Energy: The Corporation offers its energy sector clients complete solutions for all aspects of their projects, whether they are large-scale energy plants, smaller on-site facilities or retrofitting and efficiency programs - helping to reduce energy demand and deliver schemes to create a sustainable future. Our experts can advise and work on every stage of a project, from pre-feasibility to design, operation and 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.

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 government would be considered public entities.

Revenues generated from contacts 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 group.

FUTURE ACCOUNTING STANDARD CHANGES

The following standards have been issued but are not yet effective:

IFRS 16 - Leases

In January 2016, the IASB issued IFRS 16, "Leases", which will replace IAS 17, "Leases". The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use-asset" for virtually all lease contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. As the Corporation has significant contractual obligations in the form of operating leases under IAS 17, there will be a material increase to both assets and liabilities upon the adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with lease arrangements. The new standard will be effective January 1, 2019.

The Corporation has not yet quantified the effect of this standard nor does it intend at this time to early adopt this standard until the mandatory effective date.

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IFRIC 23, Uncertainty Over Income Tax Treatments (effective January 1, 2019)

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 is currently assessing the impact of the adoption of IFRIC 23 on its financial statements.

3 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.

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The significant estimates, judgments and assumptions made by management in applying the Corporation's accounting policies are the same as those applied and described in the annual consolidated financial statements for the year ended December 31, 2017.

4 CASH

	March 31, 2018	December 31, 2017
	$	$
Cash	192.6	185.1
Less: Bank overdraft	(0.8)	(6.5)
Cash net of bank overdraft	191.8	178.6

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

5 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:

	March 31, 2018		December 31, 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	(483.3)
Revenues recognized that were included in Billings in excess of costs and anticipated profits and the beginning of the period	—	466.0	—	1,736.6
Increases due to cash received or amounts invoiced prior to rendering of services	—	(532.5)	—	(1,719.9)
Transfers from Costs and anticipated profits in excess of billings recognized at the beginning of the period to trade receivables	(1,377.9)	—	(5,157.5)	—
Revenues recognized via increases/decreases as a result of changes in measure of progress during the period	1,444.7	—	5,205.6	—
Increases/decreases due to business combinations/disposals	—	—	54.9	(31.9)
Foreign Exchange	25.1	(8.8)	(22.0)	14.7
Balance - End of Period	996.9	(559.1)	905.0	(483.8)

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

6 GOODWILL

	March 31, 2018	December 31, 2017
	$	$
Balance – Beginning of period	2,979.0	2,783.6
Goodwill resulting from business acquisitions	18.2	251.2
Foreign exchange differences	71.0	(55.8)
Balance – End of period	3,068.2	2,979.0

7 LONG-TERM DEBTS

	March 31, 2018	December 31, 2017
	$	$
Credit facility	1,159.9	1,094.0
Other debts	66.5	64.7
	1,226.4	1,158.7
Less: Current portion	279.5	276.3
	946.9	882.4

CREDIT FACILITY

WSP has in place a US$1,400.0 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$200.0 million (the "Term Facility"), maturing on October 31, 2018; and

- a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million (the "Revolving Credit Facility"). On April 24, 2018, WSP extended the maturity date of this Revolving Credit Facility by one year to expire on December 31, 2021.

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

8 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 12)	328,360	19.2
Shares issued upon exercise of stock options*	16,690	0.8
Balance as at March 31, 2018	103,505,642	2,597.4

* The carrying value of the common shares includes $0.1, 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 March 31, 2018, no preferred shares were issued.

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

9 REVENUES

The tables below present the Corporation's revenues by market segment and client category. As well, in Q1 2018, approximately 43% of the gross revenues noted below were generated from cost-plus contracts with ceilings and fixed price contracts (56% in 2017) and 57% from cost-plus contracts without stated ceilings (44% in 2017).

	March 31, 2018	April 1, 2017
	$	$
Market segment		
Transportation & Infrastructure	963.3	851.3
Property & Buildings	460.0	423.1
Environment	219.2	134.2
Industry	34.2	32.7
Resources	91.7	94.0
Power & Energy	83.0	67.9
Other Services	59.3	30.7
	1,910.7	1,633.9
Client Category		
Public sector	1,124.2	902.1
Private sector	786.5	731.8
	1,910.7	1,633.9

10 ACQUISITION AND INTEGRATION COSTS

	March 31, 2018	April 1, 2017
	$	$
Business acquisition related costs	—	0.7
Business integration related costs	7.2	2.3
	7.2	3.0

Included in Acquisition and integration costs are personnel costs of $0.5 and $0.7 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.

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

11 NET FINANCE EXPENSES

	March 31, 2018	April 1, 2017
	$	$
Interest related to credit facilities	11.1	7.0
Net finance expenses on pension obligations	1.4	1.4
Exchange loss/(gain) on assets/liabilities in foreign currencies	(0.6)	(1.5)
Other interest and bank charges	2.5	1.8
Loss/(gain) on others assets	(0.8)	(0.6)
Interest income	(1.4)	(0.5)
	12.2	7.6

12 DIVIDENDS

The Corporation aims to declare and pay cash dividends on a quarterly basis to shareholders. The total amount of dividends declared by the Corporation for the first quarter ended March 31, 2018 was $38.8 or $0.375 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 on November 7, 2017, $19.2 was reinvested in 328,360 common shares under the DRIP.

On April 16 , 2018, on the payment of the first quarter dividend, $18.5 was reinvested in 316,641 additional shares under the DRIP.

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

13 STATEMENTS OF CASH FLOWS

a) ADJUSTMENTS

	March 31, 2018	April 1, 2017
	$	$
Depreciation and amortization	46.9	38.8
Share of income per statements of earnings of associates and joint-ventures (net of tax)	(0.2)	(0.3)
Defined benefit pension schemes expense	3.8	1.1
Cash contribution to defined benefit pension schemes	(3.0)	(3.0)
Foreign exchange and non-cash movements	0.6	0.9
Others	0.3	(5.1)
	48.4	32.4

b) CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	March 31, 2018	April 1, 2017
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(6.8)	39.5
Costs and anticipated profits in excess of billings	(66.8)	(61.8)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(46.8)	(20.4)
Billings in excess of costs and anticipated profits	66.4	(32.0)
	(54.0)	(74.7)

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

14 FINANCIAL INSTRUMENTS

During the quarter, the Corporation entered into cross currency swaps for a nominal amount of US$352.9 million to hedge a portion of its US denominated debt at a US/CAD rate of 1.3007, a nominal amount of US$37.8 million to hedge a portion of its US denominated debt at a GBP/US rate of 1.3948 and a nominal amount of US$76.8 million to hedge a portion of its US denominated debt at a SEK/US rate of 8.2053. The fair market value loss amounted to US$2.0 million and was recorded in the statement of earnings. All cross currency swap agreements expire in the second quarter of 2018.

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$3.1 million and was recorded in the statement of earnings.

15 CONTINGENT LIABILITIES

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 and search warrants initiated by the Unité Permanente Anticorruption (UPAC) and the Competition Bureau in several regions within the Province of Québec. Some of the investigations conducted by the Competition Bureau have been referred for consideration to the Public Prosecution Service of Canada. On February 11, 2013, the Corporation announced that it was in possession of information confirming that inappropriate conduct in the Province of Québec in the financing of political parties and the awarding of municipal contracts had occurred in the past. To date, no charges have been brought against the Corporation nor has the Corporation received any claims for fines, penalties or other monetary compensation in relation to the investigations initiated by the UPAC and the Competition Bureau. 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 and to which the Corporation indicated its participation in March 2016, came to a settlement with the Québec government and satisfied its obligations under such settlement. The Corporation is taking steps to address any other contingencies relating with 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)

16 SEGMENT INFORMATION

The Corporation manages through four reportable operating 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 GLT assesses the performance of the operating 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 operating segments.

	First quarter and year-to-date ended March 31, 2018				
	Canada	Americas	EMEIA	APAC	Total
Revenues	287.8	693.8	642.9	286.2	1,910.7
Less: Subconsultants and direct costs	(45.0)	(263.5)	(92.9)	(39.6)	(441.0)
Net revenues	242.8	430.3	550.0	246.6	1,469.7
Adjusted EBITDA before Global Corporate costs	23.6	49.2	57.4	23.2	153.4
Global corporate costs					(19.9)
Acquisition and integration costs					(7.2)
Financial expenses					(13.6)
Depreciation and amortization					(46.9)
Share of taxation and amortization of associates					(0.4)
Earnings before income tax					65.4

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

	First quarter and year-to-date ended April 1, 2017				
	Canada	Americas	EMEIA	APAC	Total
Revenues	268.9	571.3	588.3	205.4	1,633.9
Less: Subconsultants and direct costs	(44.9)	(194.0)	(92.3)	(26.8)	(358.0)
Net revenues	224.0	377.3	496.0	178.6	1,275.9
Adjusted EBITDA before Global Corporate costs	21.0	41.9	49.7	16.4	129.0
Global corporate costs					(14.5)
Acquisition and integration costs					(3.0)
Financial expenses					(8.1)
Depreciation and amortization					(38.8)
Share of taxation and amortization of associates					(0.5)
Earnings before income tax					64.1