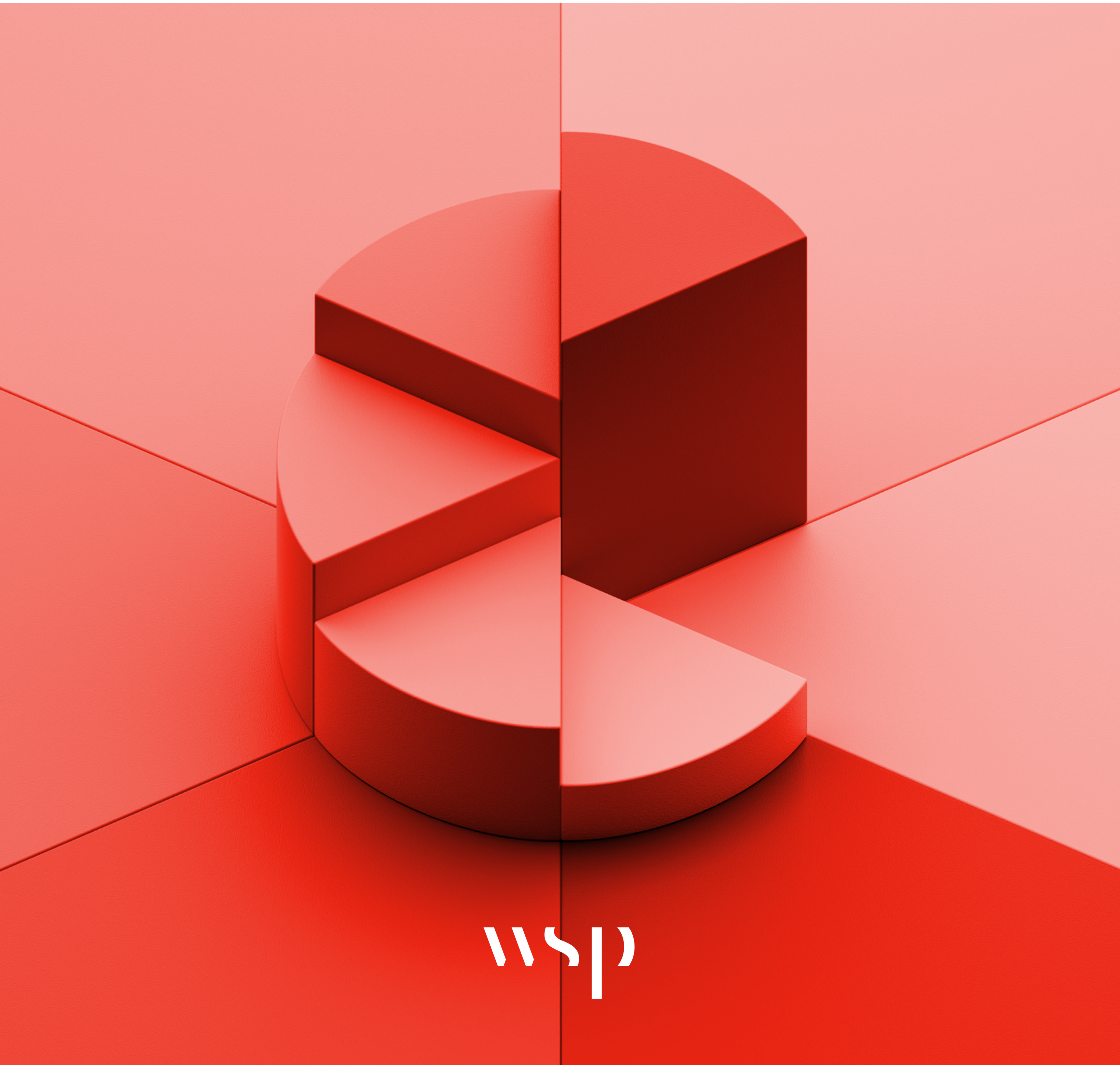
2019 ANNUAL REPORT

Focused on our Ambitions



wsp

TABLE OF CONTENTS

03 INTERVIEW WITH OUR CHAIRMAN

06 PRESIDENT AND CEO'S MESSAGE

10 FINANCIAL HIGHLIGHTS

12 YEAR IN REVIEW

14 WHAT WE STAND FOR

15 AMBITIOUS PROJECTS

21 CORPORATE GOVERNANCE

23 MANAGEMENT'S DISCUSSION & ANALYSIS

68 CONSOLIDATED FINANCIAL STATEMENTS

This annual report is an interactive PDF and is designed to be viewed with Adobe Reader and an Internet connection. The report can also be viewed offline, but any external links will not be accessible.

Interview with our Chairman

Chris Cole, Chairman of WSP's Board of Directors, discusses 2019 highlights, the stewardship of a sustainable business and WSP's enthusiasm and focus for 2020.

Q— What are your thoughts on WSP's overall performance and strengths in 2019?

A— We are pleased with WSP's success in 2019, and our strong financial results underpin the progress made in this first year on our ambitious 2019-2021 Global Strategic Plan. I extend thanks and congratulations on behalf of the Board to our management and employees for their efforts and performance over the year. I believe that WSP is unique in the services it offers globally, and we are immensely proud that our portfolio of projects incorporates many of the world's largest investments.

Despite political volatility in certain regions, conditions have been reasonably stable in the majority of WSP's markets over the year. Furthermore, we govern a firm that remains alert, flexible and prepared for market changes if and when they arise. WSP is able to adapt through resilience, which is rooted in our diversification both in terms of geography and service offering.

Q— Acquisitive growth is an important part of WSP's strategy. How do the acquisitions completed this past year make WSP a stronger organization?

A— WSP is highly discerning in its choice of partner firms, and 2019 was no exception. We further strengthened our professional services by welcoming eight firms; through these strategic partnerships, we increased our expertise over a range of multidisciplinary services and notably in Environment.

CHRIS COLE
CHAIRMAN OF THE BOARD

> We govern a firm that remains alert, flexible and prepared for market changes if and when they arise.

We were pleased to broaden our presence in Australia, the U.S. and Latin America, as well as in the Nordics and Continental Europe, including an expansion into the Netherlands.

Q— How does WSP ensure it maintains the confidence of its major shareholders?

A— With strong share price performance over the last twelve months, we are mindful of the confidence shown by the investment community in WSP and our industry, and we would like to thank our investors for their support. It is this support that allows management and employees to pursue the pillars of our Strategic Plan with confidence.

This support rightfully comes with expectations regarding the way WSP should run its business. As a Board, we remain vigilant; our watchwords are challenge, support, transparency and engagement with our management and stakeholders on all-important topics, including the sustainability agenda.

Q— Indeed, we are seeing increased external interest in sustainability. How is WSP's Board supporting progress in these matters?

A— In 2019, Linda Galipeau, Chair of the Governance, Ethics and Compensation Committee, was nominated as our Board member responsible for sustainability. Together with Health & Safety and Ethics & Compliance, the Board now receives a quarterly report on the Corporation's sustainability activities. These are evaluated alongside progress against related targets in the Strategic Plan, including our greenhouse gas emissions reduction target and our aim to increase the percentage of women holding management positions by 2021.

Furthermore, we support management's approach to embrace WSP's commitments as a signatory to the United Nations Global Compact and to the associated Ten Principles. Our continuing mindfulness of these issues and efforts to strengthen the organization in these ways creates value for all stakeholders, as well as trust in our accountability.

In terms of external recognition, in January this year we were pleased to be recognized as Most Sustainable Company in the Engineering Industry- 2019 by *World Finance* Magazine. We strive to continuously improve our sustainability disclosure, and in 2019 our reporting was described as "best-in-class" by a leading Canadian investment bank report.

Q— With this increased focus on sustainability, what are the expectations of WSP's clients?

A— WSP's clients, who form the cornerstone of our Strategic Plan, require our businesses to have high credentials right across the sustainability agenda. Our clients' asset value is increasingly influenced by sustainability and decarbonization. As stewards of these assets, WSP's professionals must responsibly advise, design and manage all aspects of their projects accordingly.

Q — **How is the consideration of risk evolving in your growing organization?**

A — While we cannot predict every eventuality, the diversity we have achieved in our business activities enables strategic risk management. Risk remains a significant focus for Board oversight, as we seek to protect and indeed create further value for WSP.

Followed closely by the Board, Health & Safety risk maturity increased in 2019, with the progression of mitigation plans and the analysis of increasingly in-depth metrics. Risk management maturity has also increased in Ethics & Compliance in recent years, fostered by an ethical organizational culture, mandatory training and enhanced tools and processes. As regards the complex and rapidly evolving risks in Information Technology & Security, in 2019 the Board gained valuable additional visibility on risk management enhancement opportunities, contributing to standardizing and improving our processes and related management across the Corporation.

WSP's reputation is high on the list of risks we manage and is potentially impacted by the majority of our other key risks. The Board intends for its governance and oversight to ultimately support WSP's standing in its industry, whether this implies the quality of our services or the many facets of our operational excellence. By effectively responding to and mitigating risk, we enable WSP's professionals to consistently deliver excellence to our clients.

Q — **How do the Board and executive team evolve to reinforce WSP's strategic decision-making?**

A — The current Board is well diversified in terms of market experience, geography, expertise and gender. As we seize the opportunities provided by our global platform, we benefit significantly from our Board members' experience, from both inside and outside our industry. During the last annual meeting of WSP's shareholders, Paul Raymond joined our Board as a Director and member of the Audit Committee, bringing extensive business experience, especially in Information Technology.

Recent changes at the executive level provide interesting opportunities for WSP. In 2019, we were pleased to welcome Philippe Fortier as WSP's Chief Legal Officer and Corporate Secretary.

> **“Our watchwords are challenge, support, transparency and engagement with our management and stakeholders on all-important topics, including the sustainability agenda.**

From February 27, 2020, Alain Michaud, currently Senior Vice-President, Operational Performance and Strategic Initiatives, will assume the position of Chief Financial Officer as successor to Bruno Roy. I would like to thank Bruno for his loyal service to WSP over his three years with the firm.

Q — **What does 2020 hold for WSP?**

A — Our performance and strong balance sheet provide a valuable operational and strategic platform, and we look to 2020 with highly talented executives and management teams. To sustain our success, WSP's global leaders and client-facing professionals remain focused on providing excellent client care, with passion. As we strive to grow the business through acquisitions and organically, we commend their drive, energy and ambition in leading WSP.

As an engaged and accountable Board, we look forward to building on the considerable momentum created by successes in 2019.

Focused on our Ambitions

At the onset of 2019, we shared our 2019-2021 Global Strategic Plan, setting our ambitions across our four foundational pillars, in view of becoming the premier professional consultancy in our industry by the end of this cycle.

ALEXANDRE L'HEUREUX
PRESIDENT AND CEO

Throughout the past year, we continued to shape the communities in which we operate, while delivering on our commitments to bring value to our clients, our people, and our shareholders. I am pleased with our overall 2019 performance, which provides us with the solid basis necessary for our continued growth.

Focused on our Clients

For this global strategic cycle, bringing the "best of WSP" to our clients is at the centre of everything we do. This translates into better understanding our clients' needs, so that not only can we deliver exceptional value to them, but also become their partner of choice.

To understand our clients better, we have expanded our key account programs for both our global private sector clients and public sector clients. Currently, all of our global sectors have "Diamond Client" programs in place with an emphasis on client management, engagement and opportunity identification, further solidifying the role we have to play as our clients' strategic partner.

The value we bring to our clients is anchored in our ability to help them face current challenges as well as the ones to come. This resonates stronger than ever before, as the world we know is changing at an unprecedented rate. Through our Future Ready program, the advice we offer our clients allows them to see the future more clearly through key trends in climate change, society, technology and resources, which further reinforces our commitment to providing innovative solutions designed to lead the transition to a low-carbon, resilient and prosperous economy. In 2019, the Future Ready program was operationalized in the United States, Sweden, Norway, Finland and Denmark. These markets will officially implement the program in 2020, bringing us closer to our 2021 ambition to have the program executed globally.

Technology is not only shaping our clients' needs, but also how our people work together to deliver our services. To create an increasingly compelling value proposition for our clients, we are constantly thinking about how we can better collaborate to leverage the depth and breadth of our capabilities across the organization. In 2019, we worked with our experts to enhance our knowledge sharing and collaboration platform to enable our professionals to consistently bring our best expertise to bear across all our projects. Our new and improved Practice Area Networks platform was successfully launched across the organization at the beginning of 2020, ensuring that our technical excellence is not limited by geographic location, mobility or time.

These types of initiatives are just a few ways our client focus has helped us drive organic growth, cross-selling opportunities, and increased client satisfaction.

Focused on our People & Culture

Our people and our reputation are synonymous. It is through our professionals' exceptional work and unwavering dedication to the clients and communities they serve that we can have a profound impact on the world around us. Unsurprisingly, providing an environment for our people to deliver on their full potential is at the core of our People & Culture strategy. One of the ways to provide this environment is through the right leadership, and I am confident that our Global Leadership Team will guide our people with passion and deliver on our strategic ambitions.

On our journey to becoming the premier consultancy in our industry, we need to attract and retain the best people. Equality, balanced workforce, women in STEM and workplace flexibility are just a few of the themes that have cascaded throughout the organization this past year. Diversity matters, and we are proud of our industry leadership over the globe and the culture we are promoting where everyone has an equal role to play.

To advance our key priorities in 2019, we have continued to develop our people by delivering training and development programs. For example, we continued to push forward our Global Project Management Academy, a six-month program of tailored project management training. Project management is the one common element across all our functions and it binds the many operational disciplines together, which is why it is important to invest in our project managers and drive our talents to the next level. This also supports our Operational Excellence pillar, as investing in our project management capability will not only allow us to manage our resources in an efficient manner, but to operate effectively to achieve the highest standards of client service and project delivery.

> **The only way we can continue to grow as an organization is by striving to push through boundaries and challenge ourselves to do even more.**

Focused on our Operational Excellence

As a global organization, we strive to consistently bring value to our stakeholders in a safe, ethical and sustainable manner.

In 2019, we continued to focus our efforts on reducing and removing the health and safety (H&S) risks associated with our activities. Various initiatives were carried out regionally and globally to ensure that H&S remained front of mind for employees by means of visible safety leadership, regular communications and training, resulting in fewer employees being exposed to harm in our business on our journey to Zero Harm.

Our reputation depends on our ability to be outstanding professionals, acting with honesty, integrity, and transparency in our daily dealings with colleagues, clients, and other business partners. During the past year, our Ethics & Compliance team helped sustain a continuous spotlight on ethics, by working to embed principled decision-making into key processes and initiatives. To deepen the discussion on ethical risks with senior leadership, as well as on ethics as the foundation of all sustainability initiatives, our ethics roadshows continued on a larger scale in 2019, involving 16 offices across Europe, Latin America, Africa, Asia, Australia and the Middle East. For 2020, additional roadshows are underway and planned throughout the year.

At WSP, we take our responsibility for sustainable leadership very seriously, not only in the advice we provide to our clients but also in our own operations.

Progress in 2019 Towards our 2021 Financial Ambitions

	2019	2021 AMBITIONS
EMPLOYEES	±50,000	65,000
NET REVENUES (CAD)*	$6.9B	$8.0B to $9.0B
ANNUAL NET REVENUE* GROWTH (ORGANIC AND ACQUISITIONS)	14.4%	>10%
ADJUSTED EBITDA MARGIN*	15.1%	15% to 16%
DAYS SALES OUTSTANDING (DSO)*	74 days	<80 days
NET DEBT/ADJUSTED EBITDA RATIO*	1.1x	1.0x to 2.0x

* Non-IFRS measures. Additional details for these non-IFRS measures can be found in our Management's Discussion and Analysis for the year ended December 31, 2019.

As part of our Global Strategic Plan, we announced our objective for a 25% reduction in absolute, market-based greenhouse gas emissions across our global operations from 2018 to 2030, with an interim reduction target of 5% by 2021. This is a serious commitment, and in 2019, we set up an internal Task Force to achieve these reduction targets, comprised of key regional and global leadership. Last April, we joined the United Nations Global Compact (UNGC), committing to set in motion changes to our business operations, corresponding to the UNGC's Ten Principles. Challenging the status quo is part of who we are as an organization, and recently we did just that by becoming the first professional services firm in the Americas to formally connect sustainability-linked terms and financing through a syndicated credit facility.

Financial performance

This past year we were faced with various turbulent political and market realities. However, the strength of our operating model, coupled with our ability to be agile and responsive, allowed us to achieve solid financial performance for 2019, while delivering significant return to our shareholders. Highlights include 14.4% growth in our net revenues, which stood at $6.9 billion for the year. In line with our 2019 outlook, consolidated organic growth in net revenues stood at 3.5%, spanning across all reportable segments. In addition to our backlog of $8.1 billion, representing 10.6 months of revenues, we reported an adjusted EBITDA of $1 billion and adjusted EBITDA margin of 15.1%, reaching the high end of the 2019 guidance provided.

In terms of other metrics, we were pleased to report that days sales outstanding (DSO) continued to decrease and reached 74 days at the end of 2019, a two-day improvement compared to 2018. Our free cash flow for the year came in at $441.6 million or 154% of net earnings, beyond our cash flow conversion target of 100% of net earnings.

In tandem with our strong balance sheet, these results place us on solid footing for 2020, and favourably position us to meet our 2019-2021 Global Strategic Plan financial ambitions.

Focused on our Expertise

This past year, our teams have continued to challenge the status quo to transform the built environment through innovative forward-thinking advice and unparalleled expertise. Whether we are designing the next iconic building in Dubai or providing strategic insights on a complex large-scale rail project providing access to Britain's busiest airport, our experts are committed to finding solutions that help our clients and communities thrive in an ever-changing world.

The amazing projects we have been awarded and delivered this past year allowed us to grow our business across the globe. This growth has also been nurtured by our ability to seize various opportunities for our clients, and our capacity to cross-sell our expertise translates into improved project delivery and higher margins.

Growth has always been part of our narrative, whether organic or acquisitive. Our growth strategy has never been about being the biggest, but rather about how we can create additional value for our clients, people and shareholders, through an increasingly resilient and balanced platform. In 2019, we strengthened our existing capabilities and expanded into new geographic regions with eight acquisitions, adding approximately 2,000 new colleagues to our organization. More specifically, 1,470 of these employees joined our Environment platform, one of our key expansion areas with approximately 22% growth since 2018. Once again, I would like to welcome our new colleagues to the WSP family!

Focused on 2020 and beyond

The only way we can continue to grow as an organization is by striving to push through boundaries and challenge ourselves to do even more – something which we have done time and time again as it is inherent to our identity. In remaining **focused on our ambitions**, we are now well positioned to continue driving sustainable and profitable growth, while delivering compelling value to our clients, people and shareholders.

I would like to thank our Board of Directors, clients and shareholders for their continued support. To our 50,000 employees around the world, thank you for your steadfast dedication and commitment to our clients, our communities and our great organization.

I'm incredibly proud of what we have been able to accomplish together this past year, and excited to discover what the journey ahead holds.

ALEXANDRE L'HEUREUX
PRESIDENT AND CEO

2020 Regional Outlook

CANADA

Public-sector transportation projects in Ontario are expected to experience fewer delays in commencement.

AMERICAS

Integration with Louis Berger is now complete in the U.S., which will translate into revenue synergy opportunities.

In Latin America, the full integration of multiple acquisitions is expected to drive net revenue growth.

CENTRAL EUROPE, MIDDLE EAST, SOUTH AFRICA

Central Europe, the Middle East and South Africa are expected to deliver (combined) low-single-digit organic growth in net revenues.

UK

Prospects from the public sector remain solid.

Diminishing concerns over Brexit, but some uncertainty remains.

NORDICS

Economic indicators point to a slowdown for the Nordics.

ASIA PACIFIC

Various concerns remain in Asia.

Strong year anticipated in Australia and New Zealand, due to several large project wins and a strong pipeline.

Financial Highlights

The financial results we achieved in fiscal 2019 across our sectors and geographies are testament to the commitment our professionals have made to succeed.

REVENUES (CAD)	NET REVENUES (CAD)*	ORGANIC GROWTH IN NET REVENUES*
8.9B	6.9B	3.5%

NET EARNINGS (CAD)	EARNINGS PER SHARE (CAD)	ADJUSTED EBITDA (CAD)*
286.5M	2.72	1.04B

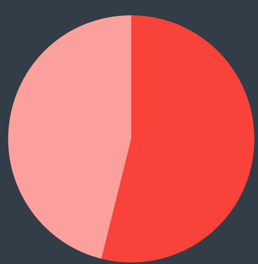
ADJUSTED EBITDA MARGIN*	DAYS SALES OUTSTANDING (DSO)*	BACKLOG*
15.1%	74 days	8.1B

* Non-IFRS measures. Additional details for these non-IFRS measures can be found in our Management's Discussion and Analysis for the year ended December 31, 2019.

Revenues by market sector

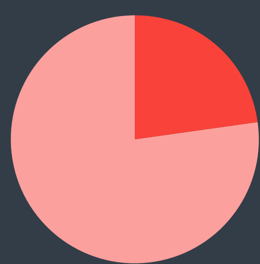
TRANSPORTATION & INFRASTRUCTURE

54%



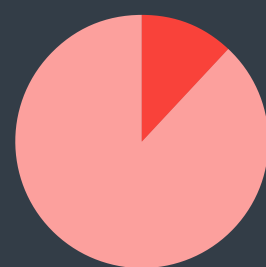
PROPERTY & BUILDINGS

23%



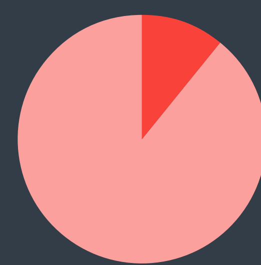
INDUSTRY, RESOURCES, POWER & ENERGY

12%



ENVIRONMENT

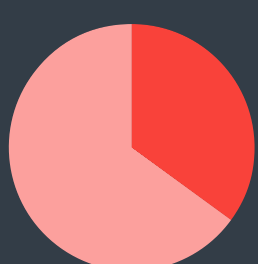
11%



Net revenues by segment

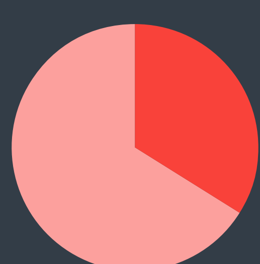
EUROPE, MIDDLE EAST, INDIA & AFRICA

35%



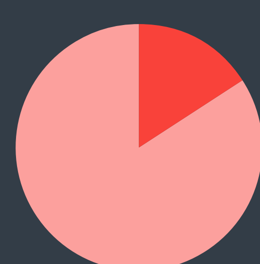
AMERICAS

34%



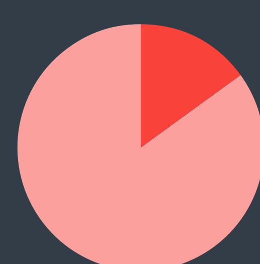
ASIA PACIFIC

16%



CANADA

15%



Year in Review

In the first year of our 2019-2021 Global Strategic Plan, we are proud to have welcomed eight new firms; ranked favourably in our industry; and advanced several of our leading initiatives.

JANUARY 30

2019-2021 Global Strategic Plan

WSP unveils its 2019-2021 Global Strategic Plan, aimed at building the premier professional consultancy in our industry by 2021.

JANUARY 31

Sepia Acquisition

Sepia strengthens our strategic advisory services in complex civil engineering and geotechnical engineering in France.

FEBRUARY 15

World Architecture 100 (WA 100) Ranking

WSP remains in the top three "Best Partner" rankings in World Architecture 100 (WA100), the annual survey of global architecture practices presented in *Building Design* magazine.

MARCH 3

WELL Performance Testing

WSP is one of the world's first companies to be approved as a WELL Performance Testing organization, to support our clients pursuing WELL certification.

APRIL 4

Todt, Gmür + Partner AG Acquisition

Todt, Gmür + Partner (TGP) strengthens our strategic advisory services offering and expands WSP's presence in Switzerland.

APRIL 8

United Nations Global Compact

WSP commits to supporting the United Nations Global Compact, a voluntary initiative to promote sustainable development and good corporate citizenship.

APRIL 30

Leach Wallace Acquisition

The Leach Wallace acquisition expands our presence in the United States while creating the largest pure-play healthcare engineering practice in North America.

APRIL 30

Indigo Planning Limited Acquisition

The Indigo acquisition expands our presence in the UK and brings us into the top tier of the UK planning market.

MAY 15

Board of Directors Appointment

Paul Raymond's appointment as a Director and member of the Audit Committee is announced.

JULY 31

#1 International Design Firm in Transportation in ENR

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

AUGUST 22

Bridges to Prosperity

Volunteers from WSP and the Bridges to Prosperity team celebrate the inauguration of their 3rd footbridge project in Rwanda.

AUGUST 30

Orbicon Acquisition

Orbicon bolsters our presence in the Nordics, while strengthening our strategic advisory services offering in the Environment sector.

OCTOBER 10

Lievense Acquisition

Lievense establishes our presence in the Netherlands, while strengthening our leadership in Continental Europe.

OCTOBER 21

WSP Scenario Planning Toolbox

The tool, developed by an international team of WSP experts, enables decision-makers to test how different assumptions can impact future transport in cities and places around the world.

NOVEMBER 21

Elton Consulting Acquisition

Elton Consulting strengthens our strategic advisory services offering in Australia.

DECEMBER 31

Ecology & Environment Acquisition

Ecology & Environment (E&E) expands WSP's geographic presence in the United States while strengthening our strategic advisory services offering in the Environment sector.

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 PURPOSE

We exist to future-proof our cities and environments.

OUR BELIEF

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

OUR ROLE

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

OUR GUIDING PRINCIPLES

We value our people and our reputation.

We are locally dedicated with international scale.

We are future-focused and challenge the status quo.

We foster collaboration in everything we do.

We have an empowering culture and hold ourselves accountable.

Ambitious Projects

For the 2019-2021 strategic cycle, bringing the "best of WSP" to our clients is at the centre of all we do. With this diverse, international selection of projects, we proudly illustrate our future-focused innovation and agility.

01 —

Lemvig Climatorium

LEMVIG, DENMARK

Lemvig's new "Climatorium" will serve as a knowledge, research and learning centre for coastal climate challenges. +

02 —

Turcot Interchange

MONTREAL, CANADA

Meeting challenges related to hydraulic capacity through the construction of water management structures, including surface retention ponds, line retention, flow controllers and two pump stations. +

03 —

Cardones Polpaico Power Transmission Line

BETWEEN THE ATACAMA AND THE METROPOLITAN REGION OF CHILE

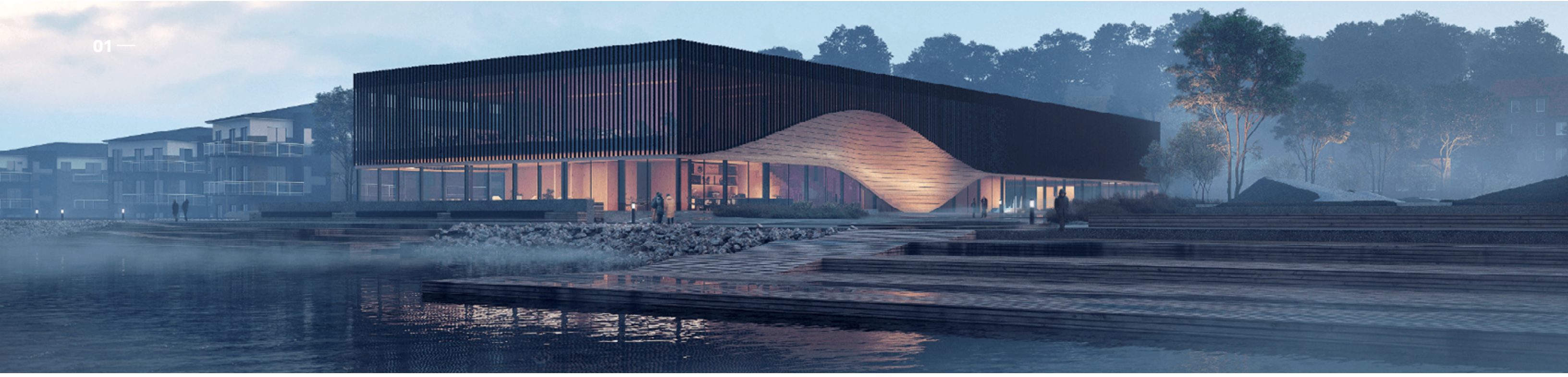
The largest power transmission line in Chile connects the north and the south, thus providing greater power reliability and stability. +

04 —

Renewable Energy in the AENA Airport Network

VARIOUS AIRPORTS, SPAIN

AENA, a leading airport operator, is working toward a sustainable future by investing in renewable energy to help reduce greenhouse gas emissions and fossil fuel consumption. +



01 —

Heathrow Rail Access Programme

LONDON, UNITED KINGDOM

This complex, large-scale rail programme will provide a major change in rail accessibility at Britain's busiest airport, opening new markets and relieving congestion at terminal stations.

02 —

Scottish Rite for Children Orthopedic Sports Medicine Center

TEXAS, UNITED STATES

This 32,516-square-meter medical center specializes in orthopedic care to treat conditions such as broken bones or torn knee ligaments, as well as injury prevention for young athletes.

Image courtesy of Texas Scottish Rite Hospital for Children

03 —

Victoria Dockside

TSIM SHA TSUI, HONG KONG

Redefining the skyline of the Kowloon Peninsula in the heart of Tsim Sha Tsui, the Victoria Dockside development is a masterpiece in modern urban development.

01 —

Karlsruhe-Basel High-Speed Railway Line

GERMANY AND SWITZERLAND (RHINE VALLEY)

The 4-track expansion and partial new construction of this line will increase capacity for regional, long-distance and freight trains, reducing travel time on the Rotterdam-Cologne-Basel-Milan-Genoa corridor.

Image courtesy of Deutsche Bahn AG, Lothar Mantel

02 —

Aéroport Marseille Provence

MARSEILLE, FRANCE

This expansion of the existing airport facility, along with the construction of a new terminal core, will accommodate expected air traffic increases in line with future regulatory requirements.

03 —

Polish Pavilion, Expo 2020

DUBAI, UNITED ARAB EMIRATES

The Polish Pavilion will be a major attraction during Expo 2020 Dubai; the structure's innovative form reflects migrating birds, emphasizing the diversity of the Polish landscape.

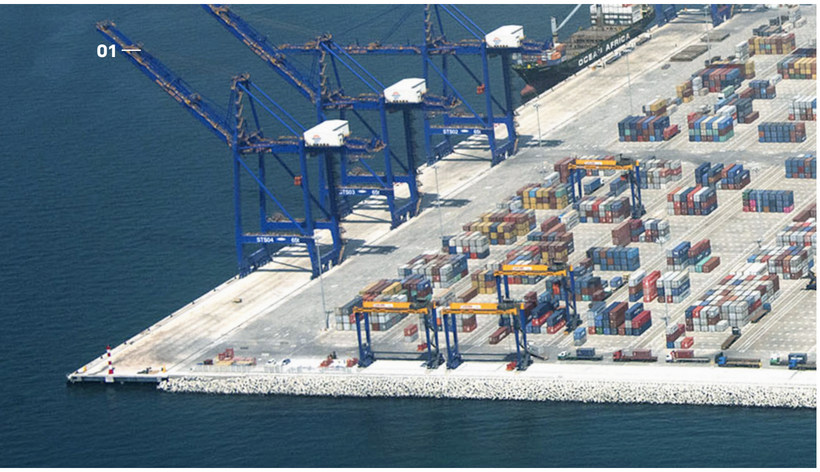
Image courtesy of WXCA Architectural Office

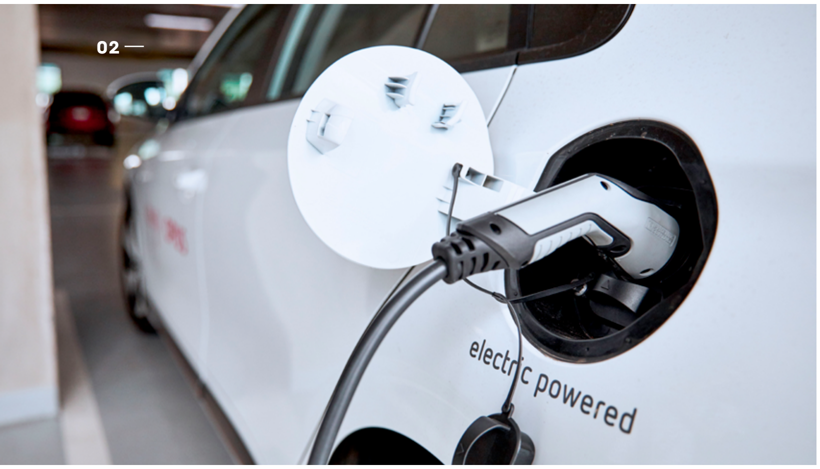
04 —

Te Pae Christchurch Convention Centre

CHRISTCHURCH, NEW ZEALAND

Set in the heart of the city, Te Pae Christchurch Convention Centre is a key part of the Christchurch Central Recovery Plan for the post-quake reinvigoration of the South Island's largest city.





01 —

New Container Terminal at Walvis Bay

WALVIS BAY, NAMIBIA

This new container terminal is part of the first phase of the Namibian Port Authority's ambitious plans for the expansion of the Port of Walvis Bay. +

02 —

Oslo Electric Vehicle Charging Infrastructure

OSLO, NORWAY

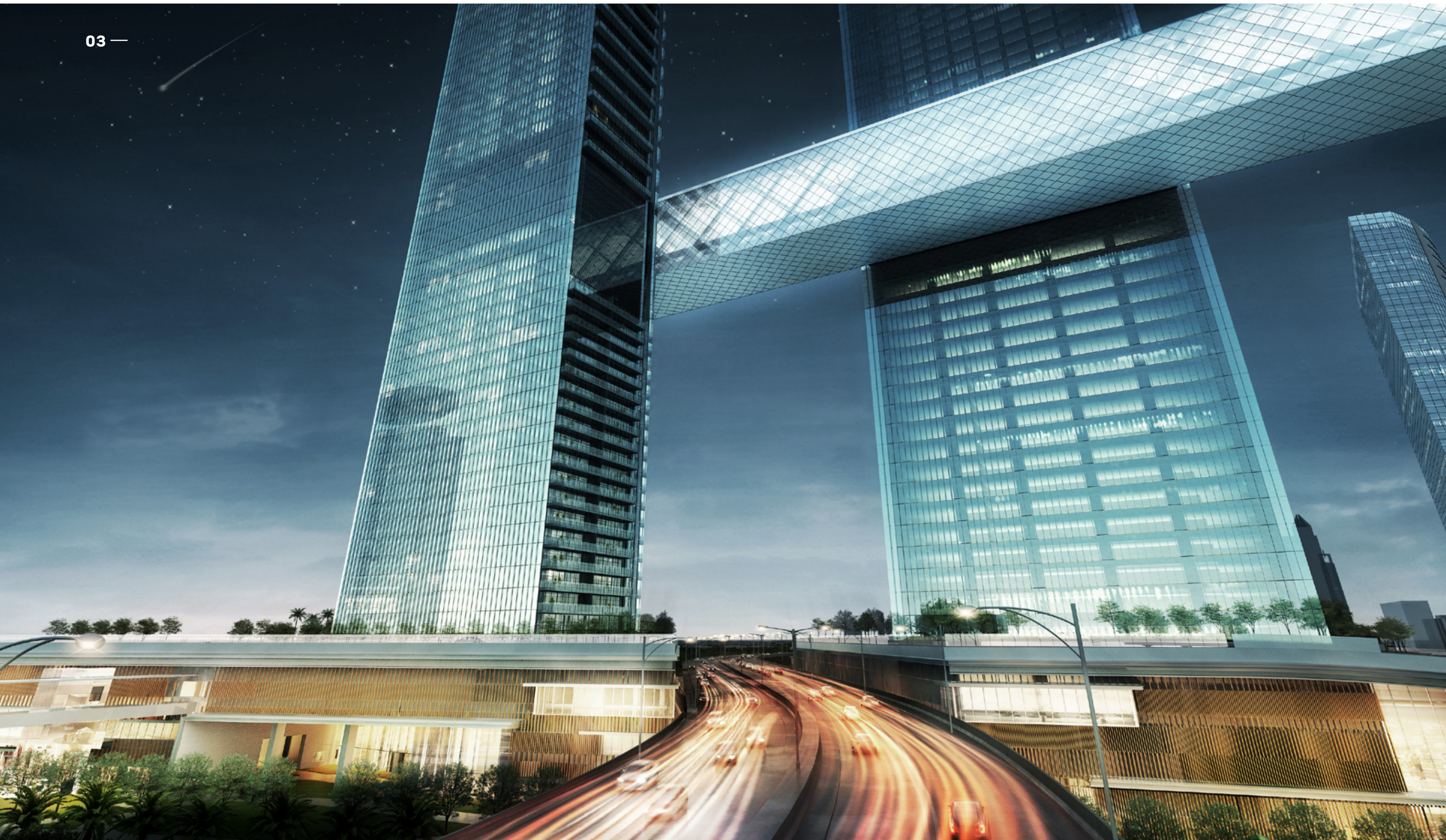
In line with Oslo City Council's aim to free city traffic of greenhouse gas emissions by 2030, the Agency of Urban Environment has mapped future charging requirements for electric vehicles. +

03 —

One Za'abeel

DUBAI, UNITED ARAB EMIRATES

With its two towers connected by a steel bridge structure, which will extend as the world's longest cantilever, One Za'abeel is set to become the next iconic building in Dubai. +



01 —

Special Activation Precincts

NEW SOUTH WALES, AUSTRALIA

Special Activation Precincts (SAPs) are areas with the potential to activate significant social and economic development, encouraging people to live, work and play in the region.

02 —

The 2019 City Barometer

VARIOUS CITIES, SWEDEN

A comparison of over 60 Swedish city centres, based on demography, economy, labour market and education, to facilitate understanding of what creates an economically strong city centre.

03 —

Atlantinsilta Bridge

HELSINKI, FINLAND

The Atlantinsilta Bridge on Helsinki's Jätkäsaari Island will serve both residents of the area and tourists, transforming the area into a new maritime urban environment.

04 —

WWZ Zug Commercial Building

ZUG, SWITZERLAND

This new office building meets high standards of building ecology, sustainability and energy efficiency.

Image courtesy of Architektur und Visualisierung Boltshauser Architekten AG

Corporate Governance

Board of Directors

01 —
Christopher Cole

Professional Non-Executive Director

Director since 2012

Independent

Chairman of the Board of Directors and member of the Governance, Ethics and Compensation Committee

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 and Director, Saputo Inc.

Director since 2017

Independent

Chair of the Audit Committee

05 —
Birgit Nørgaard

Professional Non-Executive Director

Director since 2013

Independent

Member of the Governance, Ethics and Compensation Committee

06 —
Linda Galipeau

Professional Non-Executive Director

Director since 2019

Independent

Chair of the Governance, Ethics and Compensation Committee

07 —
Suzanne Rancourt

Professional Non-Executive Director

Director since 2016

Independent

Member of the Audit Committee

08 —
Paul Raymond

President and Chief Executive Officer, Alithya Group inc.

Director since 2019

Independent

Member of the Audit Committee

Global Leadership Team

01 —
Alexandre L'Heureux
President and Chief Executive Officer

02 —
Bruno Roy
Chief Financial Officer

03 —
Paul Dollin
Chief Operating Officer

04 —
Philippe Fortier
Chief Legal Officer and Corporate Secretary

05 —
Robert Ouellette
Chief Corporate Services Officer

06 —
Isabelle Adjahi
Senior Vice President, Investor Relations and Communications

07 —
Alain Michaud
Senior Vice President, Operational Performance and Strategic Initiatives
(Alain Michaud will assume the role of Chief Financial Officer at the end of February 2020)

08 —
Ryan Brain
President and Chief Executive Officer, Canada

09 —
Lewis P. Cornell
President and Chief Executive Officer, USA

10 —
Mark Naysmith
Chief Executive Officer, UK and South Africa

11 —
Guy Templeton
President and Chief Executive Officer, Australia and New Zealand

12 —
Greg Kane
Chief Executive Officer, Middle East

13 —
Ivy Kong
Chief Executive Officer, Asia

14 —
Magnus Meyer
Managing Director, Nordics and Continental Europe

15 —
Dave McAlister
Global Director, Transport and Infrastructure

16 —
Tom Smith
Global Director, Property and Buildings

17 —
André-Martin Bouchard
Global Director, Environment and Resources

18 —
Marie-Claude Dumas
Global Director, Major Projects and Programs/ Executive Market Leader - Quebec

Management's Discussion & Analysis

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, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. With approximately 50,000 talented people globally, we engineer projects that will help societies grow for lifetimes to come.

HEAD OFFICE
WSP GLOBAL INC.
1600 RENE-LEVESQUE BLVD WEST, 11th FLOOR
MONTREAL, QC H3H 1P9
CANADA

wsp.com

TABLE OF CONTENTS

1 MANAGEMENT'S DISCUSSION AND ANALYSIS 26
2 NON-IFRS MEASURES 26
3 CORPORATE OVERVIEW 27
4 FINANCIAL HIGHLIGHTS 29
5 EXECUTIVE SUMMARY 30
6 KEY EVENTS 32
7 SEGMENT OPERATIONAL REVIEW 33
8 FINANCIAL REVIEW 34
9 LIQUIDITY 43
10 EIGHT QUARTER SUMMARY 47
11 SELECTED ANNUAL INFORMATION 47
12 GOVERNANCE 48
13 CRITICAL ACCOUNTING ESTIMATES 48
14 CHANGES IN ACCOUNTING POLICIES 49
15 FINANCIAL INSTRUMENTS 49
16 RELATED PARTY TRANSACTIONS 50
17 OFF-BALANCE SHEET AGREEMENTS 50
18 CONTRACTUAL OBLIGATIONS 50
19 FORWARD-LOOKING STATEMENTS 50
20 RISK FACTORS 51
21 ADDITIONAL INFORMATION 65
22 GLOSSARY OF NON-IFRS MEASURES AND SEGMENT REPORTING MEASURES 65

1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the consolidated financial position and consolidated results of operations, dated February 26, 2020, 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 Corporation's audited consolidated financial statements and accompanying notes for the year ended December 31, 2019. The Corporation's audited consolidated financial statements for the year ended December 31, 2019, have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Corporation's annual and quarterly results for the year and fourth quarter ended December 31, 2019. The Corporation's second and third quarters are always comprised of 13 weeks of operations. However, the number of weeks of operations in the first and fourth quarters will vary as the Corporation has a statutory December 31 year end. The fourth quarter results include the period from September 29, 2019 to December 31, 2019 and the comparative fourth quarter results include the period from September 30, 2018 to December 31, 2018.

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.

2 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; adjusted EBITDA; adjusted EBITDA margin; adjusted net earnings; adjusted net earnings per share; backlog; free cash flow; days sales outstanding ("DSO"); and net debt to adjusted EBITDA ratio. These measures are defined in section 22, "Glossary of non-IFRS measures and segment reporting measures" and reconciliations to IFRS measures can be found in section 8, "Financial Review".

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 additional 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 similarly-named measures 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.

3 CORPORATE OVERVIEW

As one of the world's leading professional services firms, WSP provides engineering and design services to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. WSP experts include engineers, advisors, technicians, scientists, architects, planners, environmental specialists and surveyors, in addition to other design, program and construction management professionals. With approximately 50,000 talented people globally, WSP is favourably positioned to deliver successful and sustainable projects, wherever 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. WSP offers 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.

The Corporation believes it has 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 market 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, highways, bridges, tunnels, water, maritime and urban infrastructure. Public and private sector clients, construction contractors and other partners seek WSP's 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 WSP offers comprehensive, innovative and value-oriented solutions to assist clients in achieving their desired outcomes, the Corporation takes great pride in solving clients' toughest problems. WSP offers 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:** WSP is a world-leading provider of technical and advisory services with a track record in delivering buildings of the highest quality. The Corporation can be involved at every stage of a project's life-cycle, from the business case, through design and construction, to asset management and refurbishment. The Corporation has teams of technical experts across the globe delivering engineering and consultancy services ranging from decarbonisation strategies and SMART building design to structural and mechanical, electrical, and plumbing (MEP) engineering. The Corporation is expert in enabling clients to maximize the outcome of their projects in sectors from high-rise to healthcare, stadia to stations and commercial to cultural.

- **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. WSP's 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.

- **Resources:** The Corporation has the scale and expertise to support all its worldwide resource clients. In mining, WSP's 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 engineering, procurement, and construction management ("EPCM") to site closure and rehabilitation. WSP expertise includes resource and reserve modelling, metallurgical testing, geotechnical and mine design and detailed engineering for mining infrastructure. In oil and gas, WSP helps clients with some of their most demanding technical and logistical challenges. The Corporation's 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 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. WSP's 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.

- **Industry:** The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology, automotive and chemicals. WSP's 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 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 its extensive experience. WSP's team blends the technical skills of its global network with results-oriented business acumen, to provide effective and sustainable strategies that also contribute to the advancement of the communities where WSP is 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 the Corporation build strategic relationships with clients. WSP supports 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, WSP 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. The Corporation's Technology Services experts integrate the use of digital solutions and software to enhance engineering, infrastructure, buildings and environmental projects. In addition, as the world faces significant challenges related to population growth, resource demands and constraints, and extreme weather events that impact the resiliency and sustainability of communities, the Corporation remains committed to integrating the principles of sustainability into WSP's work in planning, designing and managing both property and infrastructure.

4 FINANCIAL HIGHLIGHTS

(in millions of dollars, except percentages and per share data)

Fourth quarters ended	December 31, 2019	December 31, 2018	Variance
Revenues	$2,209.3	$2,043.9	8.1%
Net revenues*	$1,760.7	$1,541.0	14.3%
Earnings before net financing expense and income taxes	$82.7	$91.7	(9.8%)
Adjusted EBITDA*	$266.3	$169.5	57.1%
Adjusted EBITDA margin*	15.1%	11.0%	410 bps
Net earnings attributable to shareholders of WSP Global Inc.	$40.5	$43.3	(6.5%)
Basic net earnings per share	$0.38	$0.41	(7.3%)
Adjusted net earnings*	$56.6	$59.1	(4.2%)
Adjusted net earnings per share*	$0.53	$0.57	(7.0%)

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail and for reference to the reconciliation to the most directly comparable IFRS measure, where applicable.

bps: basis points

(in millions of dollars, except percentages, per share data, DSO and ratios)

Years ended	December 31, 2019	December 31, 2018	Variance
Revenues	$8,916.1	$7,908.1	12.7%
Net revenues*	$6,886.3	$6,020.6	14.4%
Earnings before net financing expense and income taxes	$487.8	$398.1	22.5%
Adjusted EBITDA*	$1,036.8	$660.0	57.1%
Adjusted EBITDA margin*	15.1%	11.0%	410 bps
Net earnings attributable to shareholders of WSP Global Inc.	$286.5	$248.1	15.5%
Basic net earnings per share	$2.72	$2.38	14.3%
Adjusted net earnings*	$326.7	$295.2	10.7%
Adjusted net earnings per share*	$3.10	$2.83	9.5%
Cash inflows from operating activities	$814.3	$669.7	21.6%
Free cash flow*	$441.6	$547.4	(19.3%)
As at	**December 31, 2019**	**December 31, 2018**	**Variance**
Backlog*	$8,131.8	$7,678.7	5.9%
DSO*	74	76	(2 days)
Net debt to adjusted EBITDA ratio*	1.1	1.9	n/a

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail and for reference to the reconciliation to the most directly comparable IFRS measure, where applicable.

bps: basis points

n/a: not applicable

5 EXECUTIVE SUMMARY

Strong performance continued during the fourth quarter of 2019, enabling the Corporation to reach key financial outlook targets for the year ended December 31, 2019.

The Corporation adopted *IFRS 16 - Leases* on January 1, 2019, using the modified retrospective method, for which no restatement of prior year financial statement presentation was required.

Fourth quarter 2019 financial highlights

- Revenues and net revenues for the quarter reached $2.2 billion and $1.8 billion, up 8.1% and 14.3%, respectively, compared to Q4 2018. Organic growth in net revenues achieved 4.0% for the quarter, spanning across all reportable segments except EMEIA which was flat.

- Earnings before net financing expense and income taxes in the quarter of $82.7 million, down $9.0 million, or 9.8%, compared to Q4 2018. This metric was negatively impacted by non-cash items, including a $25.3-million write-off of leasehold capital assets related to US operations, as well as increased amortization mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018.

- Adjusted EBITDA in the quarter of $266.3 million, up $96.8 million or 57.1%, compared to $169.5 million in Q4 2018. The impact of adopting *IFRS 16 - Leases,* effective January 1, 2019, represents $58.4 million of the increase. The remaining increase of $38.4 million or 22.7%, compared to Q4 2018, stems mainly from an overall increase in net revenues and increased margins in Canada, the UK and Middle East, as well as lower head office corporate costs

- Adjusted EBITDA margin for the quarter reached 15.1%, compared to 11.0% in Q4 2018. The impact of adopting *IFRS 16 - Leases* represents 3.3% of net revenues. The remaining increase, compared to Q4 2018, stems mainly from increased margins in Canada, the UK and Middle East, as well as lower head office corporate costs.

- Net earnings attributable to shareholders for the quarter of $40.5 million, or $0.38 per share, down $2.8 million and $0.03, respectively, compared to Q4 2018. The impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $5.9 million or $0.06 per share. Net earnings was also negatively impacted by non-cash items, including a write-off of leasehold capital assets related to US operations with after-tax impact of $18.5 million, as well as increased amortization, mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018.

- Adjusted net earnings for the quarter of $56.6 million, or $0.53 per share, down $2.5 million and $0.04, respectively, compared to Q4 2018. The impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $5.9 million or $0.06 per share. Adjusted net earnings was negatively impacted by non-cash items, including a write-off of leasehold capital assets related to US operations with after-tax impact of $18.5 million, as well as increased amortization, mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018.

- Quarterly dividend declared of $0.375 per share, with a 42.3% Dividend Reinvestment Plan (“DRIP”) participation.

Fiscal year 2019 financial highlights

- Revenues and net revenues for the year reached $8.9 billion and $6.9 billion, up 12.7% and 14.4%, respectively, compared to 2018. Organic growth in net revenues of 3.5% for the year, spanning across all reportable segments, in line with Management's expectations for the year.

- Earnings before net financing expense and income taxes in 2019 of $487.8 million, up $89.7 million, or 22.5%, compared to 2018. This metric was negatively impacted by non-cash items, including a $25.3-million write-off of leasehold capital assets related to US operations.

- Adjusted EBITDA in the year of $1,036.8 million, up $376.8 million or 57.1%, compared to $660.0 million in 2018. The impact of adopting *IFRS 16 - Leases,* effective January 1, 2019, represents $250.1 million of the increase. The remaining increase of $126.7 million or 19.2% compared to 2018, stems mainly from an overall increase in net revenues, increased margins in Canada and lower head office corporate costs.

- Adjusted EBITDA margin for 2019 reached 15.1%, compared to 11.0% in 2018. The impact of adopting *IFRS 16 - Leases* represents 3.6% of net revenues. The remaining increase, compared to 2018, stems mainly from increased margins in Canada and lower head office corporate costs.

- Net earnings attributable to shareholders of $286.5 million in 2019, or $2.72 per share, up $38.4 million and $0.34, respectively, compared to 2018. The impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $23.2 million or $0.22 per share. Net earnings was also negatively impacted by non-cash items, including a write-off of leasehold capital assets related to US operations, with after tax impact of $18.5 million, or $0.18 per share.

- Adjusted net earnings for 2019 of $326.7 million, or $3.10 per share, up $31.5 million compared to 2018. The impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $23.2 million or $0.22 per share. Adjusted net earnings were negatively impacted by non-cash items, including a write-off of leasehold capital assets related to US operations, with after tax impact of $18.5 million, or $0.18 per share.

- Backlog as at December 31, 2019 stood at $8.1 billion, representing 10.6 months of revenues, up $453.1 million or 5.9% from $7.7 billion as at December 31, 2018. Backlog organic growth reached 3.6% compared to December 31, 2018.

- DSO as at December 31, 2019 stood at 74 days, slightly better than 76 days as at December 31, 2018.

- Cash inflows from operating activities of $814.3 million in the year ended December 31, 2019, compared to $669.7 million in the comparable period in 2018.

- Free cash flow of $441.6 million, representing 154% of net earnings attributable to shareholders.

- Incorporating a full year adjusted EBITDA for all acquisitions, net debt to adjusted EBITDA ratio stood at 1.1x, within Management's 2019 outlook target range.

- Full year dividends declared of $1.50 per share, or $158.0 million, with cash payout of $80.9 million or 51.2%.

6 KEY EVENTS

The following are highlights from January 1, 2019 to February 26, 2020, the date of the MD&A for the year ended December 31, 2019.

Acquisitions

In April 2019, the Corporation made a tuck-in acquisition of Leach Wallace Associates, Inc. ("Leach Wallace"), in the US. Leach Wallace is a 125-person provider of mechanical, electrical and plumbing engineering design services and related services to clients in the healthcare sector. This acquisition, which is in alignment with WSP's 2019-2021 Global Strategic Plan, created one of the largest pure-play healthcare engineering practices in North America.

In September 2019, WSP acquired Orbicon A/S, a 500-employee Danish environmental consulting firm with additional offerings in the Supply & Infrastructure and Buildings sectors. The firm also has a presence in Sweden and the Arctic.

In October 2019, WSP acquired Lievense Holding B.V. ("Lievense"). Lievense is a 375-employee Dutch multidisciplinary consulting firm active in the Buildings, Environment, Energy, Infrastructure and Water sectors.

In November 2019, WSP acquired Elton Consulting Group Pty Ltd, a 115-employee consulting firm based in Sydney, Australia, with additional offices across Australia.

In December 2019, WSP completed the acquisition of Ecology and Environment Inc. ("E & E"), a US-headquartered environmental consulting firm which provides professional services to governments and private customers worldwide. E & E has approximately 775 employees across the US and Latin America. The purchase price payable in connection with the acquisition was approximately $65 million US dollars, plus a special dividend of approximately $2.2 million US dollars.

These acquisitions were financed using WSP's available cash and credit facilities.

Subsequent to the end of the year, in January 2020, WSP acquired LT Environmental Inc., a 140-employee environmental consulting firm based in Colorado, US.

Appointments

In January 2019, WSP announced three key executive appointments, who joined WSP's Global Leadership Team: Ryan Brain, President and Chief Executive Officer of WSP in Canada; Ivy Hoi Yan Kong, Managing Director of WSP in Asia; and André-Martin Bouchard, Global Director, Environment & Resources.

Philippe Fortier was appointed Chief Legal Officer of the Corporation effective July 10, 2019. In this position, he holds overall responsibility for WSP's legal affairs, in addition to supporting acquisition activities. Mr. Fortier is also WSP's Corporate Secretary and part of WSP's Global Leadership Team.

Lewis (Lou) P. Cornell, P.E. was appointed President and Chief Executive Officer of WSP in the US, effective October 15, 2019. In this position, Mr. Cornell leads the US Leadership Team, and is also part of WSP's Global Leadership Team.

Effective February 27, 2020, Alain Michaud, currently Senior Vice President, Operational Performance and Strategic Initiatives will assume the position of Chief Financial Officer. After a successful 3-year tenure, Bruno Roy, the current Chief Financial Officer, will be leaving WSP at the end of March 2020 to pursue new professional and personal opportunities. Until then, Mr. Roy will work closely with Mr. Michaud to ensure a smooth transition.

7 SEGMENT OPERATIONAL REVIEW

Segment performance is measured using net revenues and adjusted EBITDA by segment. All reportable segments achieved organic growth in net revenues for the year mainly in line with Management's expectations. Adjusted EBITDA, on a consolidated basis and by segment before head office corporate costs, increased across the board, mainly due to the adoption of *IFRS 16 - Leases*, requiring most lease-related costs to be recorded as depreciation of right-of-use assets and interest expense on lease liabilities, which are costs excluded from adjusted EBITDA.

Canada

In the quarter and the year ended December 31, 2019, the Canada reportable segment posted organic growth in net revenues of 3.4% and 1.2%, respectively, as compared to 2018. This was Canada's best quarter for organic growth in 2019, as concerns related to the transportation sector in Ontario are starting to assuage across the province. Nevertheless, public sector delays in transportation project starts in Ontario impacted net revenues for the year.

Regarding adjusted EBITDA margin before head office corporate costs for the year ended December 31, 2019, in addition to the positive impact of IFRS 16, the remaining variance improved as a result of cost containment measures.

Backlog grew 7.5% organically compared to December 31, 2018.

Americas

In the quarter and the year ended December 31, 2019, the Americas reportable segment posted organic growth in net revenues of 2.4% and 3.1%, respectively, relative to the comparable periods in 2018. Net revenues for the quarter and the year were below expectations mainly due to lower than anticipated net revenues in the US Northeast region and Latin America.

Regarding adjusted EBITDA margin before head office corporate costs, for the fourth quarter and the year ended December 31, 2019, in addition to the positive impact of IFRS 16, the remaining variance vis-a-vis the comparable periods in 2018 were negatively impacted by the integration of Louis Berger operations and by softness in margins in the US Northeast region and Latin America.

Backlog for the Americas segment grew 6.4% organically when compared to December 31, 2018, attributable mainly to US operations.

EMEIA

The EMEIA reportable segment organic revenues remained flat for the fourth quarter, but the segment delivered organic growth in net revenues of 2.1% for the year. Organic growth in the year is mainly due to continued solid performance in the UK and Sweden. The UK's Transportation and Infrastructure market sector had another strong quarter, offsetting softness in the private sector due to continuing Brexit concerns. The Nordic operations delivered organic growth in net revenues of 2.5% for the year, despite a strike in Finland impacting net revenues.

Regarding adjusted EBITDA margin before head office corporate costs, in addition to the positive impact of IFRS 16, the remaining variances relative to the comparable periods in 2018, was an improvement for the quarter, and was not significant for the year. This despite lower margins from Louis Berger which have a higher structural cost base than WSP's legacy EMEIA operations. EMEIA benefitted from improved margins in the UK and Middle East.

Backlog for the EMEIA segment contracted 10.2% organically when compared to December 31, 2018 due to timing of order intake in the UK.

APAC

The APAC reportable segment posted organic growth in net revenues of 17.0% for the quarter, and 9.3% for the year. Strong organic growth for the year is due to solid results across the region, led by Australia.

The increases in adjusted EBITDA margin before head office corporate costs, relative to the comparable periods in 2018, are due entirely to the positive impact of IFRS 16.

Backlog for the APAC segment grew 18.0% organically when compared to December 31, 2018, driven by Australia and New Zealand.

8 FINANCIAL REVIEW

8.1 RESULTS OF OPERATIONS

	Fourth quarters ended		Year ended	
(in millions of dollars, except number of shares and per share data)	**December 31, 2019**	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Revenues	**$2,209.3**	**$2,043.9**	**$8,916.1**	**$7,908.1**
Less: Subconsultants and direct costs	$448.6	$502.9	$2,029.8	$1,887.5
Net revenues*	**$1,760.7**	**$1,541.0**	**$6,886.3**	**$6,020.6**
Earnings before net financing expense and income taxes	**$82.7**	**$91.7**	**$487.8**	**$398.1**
Net financing expense	$28.4	$32.0	$102.0	$68.8
Earnings before income taxes	**$54.3**	**$59.7**	**$385.8**	**$329.3**
Income tax expense	$13.5	$16.3	$100.1	$80.5
Net earnings	**$40.8**	**$43.4**	**$285.7**	**$248.8**
Net earnings attributable to:				
Shareholders of WSP Global Inc.	$40.5	$43.3	$286.5	$248.1
Non-controlling interests	$0.3	$0.1	$(0.8)	$0.7
Basic net earnings per share	**$0.38**	**$0.41**	**$2.72**	**$2.38**
Diluted net earnings per share	**$0.38**	**$0.41**	**$2.71**	**$2.38**
Basic weighted average number of shares	105,885,503	104,387,699	105,235,267	104,150,041
Diluted weighted average number of shares	106,076,127	104,614,276	105,613,623	104,392,368

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

8.2 NET REVENUES BY SEGMENT

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

(in millions of dollars, except percentages)	Fourth quarter of 2019 vs 2018				
	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment - 2019	$273.8	$559.2	$642.3	$285.4	$1,760.7
Net revenues by segment - 2018	$264.7	$454.1	$576.1	$246.1	$1,541.0
Net change %	3.4%	23.1 %	11.5 %	16.0 %	14.3 %
Organic growth*	3.4%	2.4 %	(0.1)%	17.0 %	4.0 %
Acquisition growth*	—%	21.3 %	14.9 %	2.9 %	12.2 %
Foreign currency exchange impact**	—%	(0.6)%	(3.3)%	(3.9)%	(1.9)%
Net change %	3.4%	23.1 %	11.5 %	16.0 %	14.3 %

(in millions of dollars, except percentages and number of employees)	Fiscal year 2019 vs 2018				
	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment - 2019	$1,066.7	$2,306.8	$2,399.9	$1,112.9	$6,886.3
Net revenues by segment - 2018	$1,053.6	$1,758.2	$2,192.1	$1,016.7	$6,020.6
Net change %	1.2%	31.2%	9.5 %	9.5 %	14.4 %
Organic growth*	1.2%	3.1%	2.1 %	9.3 %	3.5 %
Acquisition growth*	—%	26.4%	11.0 %	2.9 %	12.1 %
Foreign currency exchange impact**	—%	1.7%	(3.6)%	(2.7)%	(1.2)%
Net change %	1.2%	31.2%	9.5 %	9.5 %	14.4 %
	As at December 31				
Approximate number of employees - 2019	8,000	13,200	19,900	8,800	49,900
Approximate number of employees - 2018	7,900	12,400	19,100	8,300	47,700
Net change %	1.3%	6.5%	4.2 %	6.0 %	4.6 %

* Organic growth and acquisition growth are calculated based on local currencies.

** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into Canadian equivalent amount, net of organic growth and acquisition growth.

During the fourth quarter of 2019, the Corporation achieved net revenues of $1.8 billion, an increase of $219.7 million, or 14.3% compared to Q4 2018.

8.2.1 CANADA

In the fourth quarter of 2019, net revenues from the Canada reportable segment were $273.8 million, an increase entirely due to organic growth of 3.4% compared to the same period in 2018. This was Canada's best quarter for organic growth in 2019, as concerns related to the transportation sector in Ontario are starting to assuage across the province.

For the year ended December 31, 2019, net revenues from the Canada reportable segment stood at $1.1 billion, representing organic growth of 1.2% as compared to the same period in 2018. Organic growth landed at the low end of Management's expectations, as public sector delays in transportation project starts in Ontario impacted net revenues for the year.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 65% of net revenues for the year ended December 31, 2019.

8.2.2 AMERICAS

In the fourth quarter of 2019, net revenues from the Americas reportable segment were $559.2 million, an increase of $105.1 million, or 23.1%, compared to the same period in 2018. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 21.3% and 2.4%, respectively.

For the year ended December 31, 2019, net revenues from the Americas reportable segment stood at $2.3 billion, an increase of $548.6 million, or 31.2%, compared to the same period in 2018. Acquisition growth stood at 26.4%, while organic growth in net revenues landed at 3.1%, slightly below Management expectations. Net revenues were below expectations mainly due to lower than anticipated net revenues in the US Northeast region and Latin America.

In both the quarter and year, the acquisition growth stems mainly from the acquisition of Louis Berger in December 2018.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 80% of net revenues for the year ended December 31, 2019.

8.2.3 EMEIA

In the fourth quarter of 2019, net revenues from the EMEIA reportable segment were $642.3 million, an increase of $66.2 million, or 11.5%, compared to Q4 2018. Acquisition growth in net revenues, on a constant currency basis, stood at 14.9%, while organic revenues remained flat.

For the year ended December 31, 2019, net revenues from the EMEIA operating segment stood at $2.4 billion, an increase of $207.8 million, or 9.5%, compared to the same period in 2018. Acquisition growth stood at 11.0%, while organic growth in net revenues, on a constant currency basis, landed at 2.1%, in line with Management's expectations.

In both the quarter and year, acquisition growth is mostly related to the acquisition of Louis Berger in Q4 2018. Organic growth in the year is mainly due to continued solid performance in the UK and Sweden. These increases were partially offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Swedish krona and pound sterling.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 80% of net revenues for the year ended December 31, 2019.

8.2.4 APAC

In the fourth quarter of 2019, net revenues from the APAC reportable segment were $285.4 million, an increase of $39.3 million, or 16.0%, when compared to the same period in 2018. Acquisition growth and organic growth in net revenues, both on a constant currency basis, stood at 2.9% and 17.0%, respectively.

For the year ended December 31, 2019, net revenues from the APAC operating segment stood at $1.1 billion, an increase of $96.2 million, or 9.5%, when compared to the same period in 2018. Acquisition growth stood at 2.9% and organic growth in net revenues, on a constant currency basis, achieved 9.3%, exceeding Management's expectations of mid-single digit growth.

In both the quarter and year, acquisition growth stemmed mainly from the acquisition of Irwinconsult in December 2018. Strong organic growth for the year is due to solid results across the region, led by Australia. These increases were partially offset by negative impacts of foreign exchange mainly due to the appreciation of the Canadian dollar against the Australian and New Zealand dollars.

The Transportation & Infrastructure and Property & Buildings market sectors accounted for 85% of net revenues for the year ended December 31, 2019.

8.3 BACKLOG

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog, as at December 31, 2018	$958.2	$3,452.1	$2,165.5	$1,102.9	$7,678.7
Revenues	$(1,268.6)	$(3,433.7)	$(2,929.1)	$(1,284.7)	$(8,916.1)
Organic order intake	$1,340.8	$3,647.6	$2,714.8	$1,482.8	$9,186.0
Order intake through business acquisition	$—	$117.9	$33.4	$4.2	$155.5
Foreign exchange movement	$—	$89.1	$(48.0)	$(13.4)	$27.7
Backlog*, as at December 31, 2019	$1,030.4	$3,873.0	$1,936.6	$1,291.8	$8,131.8

As at December 31, 2019, backlog stood at $8.1 billion, representing 10.6 months of revenues,[(1)] an increase of $453.1 million or 5.9% from December 31, 2018. The increase during the year, mainly in the US, Australia and Canada, is primarily due to organic order intake higher than revenues. On a constant currency basis, the backlog organic growth was 3.6% compared to backlog as at December 31, 2018. Backlog for the EMEIA segment contracted organically when compared to December 31, 2018 due to timing of order intake, as several major projects were signed in 2018, mainly in the UK.

The following table reconciles backlog to unfulfilled performance obligations disclosed in the Corporation's consolidated financial statements, as at December 31:

(in millions of dollars)	2019	2018
Unfulfilled performance obligations	**$7,898.7**	**$6,342.4**
Remaining contractual obligations on which work has not commenced at year end date	$233.1	$1,336.3
Backlog*	**$8,131.8**	**$7,678.7**

* Non-IFRS measure. Refer to section 22, "Glossary of non-IFRS measures and segment reporting measures" for more detail.
(1) Based on revenues for the trailing twelve-month period, incorporating a full twelve months of revenues for all acquisitions.

8.4 EXPENSES

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

	Fourth quarters ended		Year ended	
(percentage of net revenues)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Net revenues*	100.0 %	100.0 %	100.0 %	100.0%
Personnel costs	75.1 %	75.3 %	75.2 %	75.8%
Other operational costs, exchange loss (gain) and interest income	10.1 %	13.7 %	10.0 %	13.2%
Share of earnings of associates before depreciation and income taxes*	(0.3)%	— %	(0.3)%	—%
Adjusted EBITDA*	**15.1 %**	**11.0 %**	**15.1 %**	**11.0%**
Depreciation of right-of-use assets	3.6 %	— %	3.5 %	—%
Depreciation of property and equipment	1.6 %	1.6 %	1.5 %	1.5%
Amortization of intangible assets	2.2 %	1.9 %	1.6 %	1.7%
Impairment of property and equipment and goodwill	1.6 %	— %	0.4 %	—%
Acquisition, integration and restructuring costs	1.2 %	1.4 %	0.8 %	1.1%
Share of depreciation and taxes of associates	0.1 %	— %	0.1 %	—%
Deduct: Interest income	0.1 %	0.1 %	0.1 %	0.1%
Earnings before net financing expense and income taxes	**4.7 %**	**6.0 %**	**7.1 %**	**6.6%**
Net financing expense	1.6 %	2.1 %	1.4 %	1.1%
Income tax expense	0.8 %	1.1 %	1.6 %	1.4%
Net earnings	**2.3 %**	**2.8 %**	**4.1 %**	**4.1%**

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

For the year ended December 31, 2019, earnings before net financing expense and income taxes increased as a percentage of net revenues, mainly due to higher adjusted EBITDA, partially offset by depreciation of right-of-use assets following the adoption of *IFRS 16 - Leases*, as well as other non-cash items, namely impairment charges on property and equipments and goodwill. In the fourth quarter of 2019, earnings before net financing expense and income taxes decreased as a percentage of net revenues. The increase in adjusted EBITDA was offset by depreciation of right-of-use assets following the adoption of *IFRS 16 - Leases*, as well as other non-cash items, namely impairment charges on property and equipments and goodwill and increased amortization. These variances are explained in further detail below.

In 2019, adjusted EBITDA margin stood at 15.1% for both the fourth quarter and for the year, compared to 11.0% for both the fourth quarter and year in 2018. The increases are largely due to the adoption of *IFRS 16 - Leases*, requiring most lease-related costs to be recorded as depreciation of right-of-use assets and interest expense on lease liabilities, which are costs excluded from adjusted EBITDA. For the quarter and year end, the impact of adopting *IFRS 16 - Leases* represents 3.3% and 3.6% of net revenues, respectively.

PERSONNEL AND OTHER OPERATIONAL COSTS

The main expenses deducted from net revenues fall into two major components: personnel 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.
- In 2019, other operational costs include fixed costs such as, but not limited to, non-recoverable client services costs, technology costs, professional insurance costs, office space related costs (mainly utilities and maintenance costs). In the table above, other operational costs are combined with operational exchange gains or losses on

foreign currencies and interest income. In 2018, other operational costs also included occupancy costs related to lease agreements. The exclusion of most office lease costs in 2019 from other operational costs, was due to the adoption of *IFRS 16 - Leases,* effective January 1, 2019 which requires most leasing costs to be reported as deprecation of right-of-use assets and interest expense on lease liabilities.

Personnel costs for the quarter and year-to date, as a percentage of net revenues, were lower compared to the same periods in 2018. This decrease for the year is due to revenue recognized from work completed in previous years.

Other operational costs for the quarter and year-to-date, as a percentage of net revenues, decreased significantly due to the adoption of *IFRS 16 - Leases*.

SHARE OF EARNINGS OF ASSOCIATES

The share of earnings of associates increased for the fourth quarter and year ended December 31, 2019, mainly due to investments in associates originating from the Louis Berger acquisition.

DEPRECIATION AND AMORTIZATION

Depreciation of right-of-use assets mainly relate to leases of office space and equipment leases, due to the adoption of *IFRS 16 - Leases* on January 1, 2019. In 2018, leasing costs were included in other operational costs.

Depreciation of property and equipment for the fourth quarter and year ended December 31, 2019 remained stable when compared to the same periods in 2018.

Amortization of intangible assets increased in the fourth quarter of 2019, mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018. Amortization of intangible assets for the year ended December 31, 2019 remained stable as a percentage of net revenues, when compared to 2018.

IMPAIRMENT CHARGES

In the fourth quarter of 2019, the Corporation wrote-off leasehold improvements and furniture and equipment of $25.3 million related to the early termination of a lease in the US and goodwill of $3.7 million related to South African operations.

ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS

Acquisition, integration and restructuring costs include, if and when incurred, transaction and integration costs related to business acquisitions, any gains or losses on disposals of non-core assets, 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 restructuring costs.

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

The Corporation incurred acquisition, integration and restructuring costs of $21.5 million in the fourth quarter of 2019 and $54.2 million in the year, mainly related to the business integration of Louis Berger, acquired in December 2018, and acquisition costs related to various 2019 transactions. The 2019 integration and restructuring costs of Louis Berger were higher than initially projected by Management.

8.5 ADJUSTED EBITDA BY SEGMENT

	Fourth quarters ended December 31, 2019				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$273.8	$559.2	$642.3	$285.4	$1,760.7
Adjusted EBITDA by segment	$55.6	$87.4	$90.7	$47.9	$281.6
Adjusted EBITDA margin by segment	20.3%	15.6%	14.1%	16.8%	16.0%
Head office corporate costs					$15.3
Adjusted EBITDA*					$266.3
Variance in adjusted EBITDA margin by segment compared to prior year	4.2%	3.2%	3.5%	4.1%	
Increase in adjusted EBITDA margin by segment due to adoption of IFRS 16**	3.9%	3.7%	2.3%	4.1%	
Remaining variance in adjusted EBITDA margin by segment	0.3%	-0.5%	1.2%	—%	

	Fourth quarters ended December 31, 2018				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$264.7	$454.1	$576.1	$246.1	$1,541.0
Adjusted EBITDA by segment	$42.6	$56.2	$61.1	$31.2	$191.1
Adjusted EBITDA margin by segment	16.1%	12.4%	10.6%	12.7%	12.4%
Head office corporate costs					$21.6
Adjusted EBITDA*					$169.5

	Year ended December 31, 2019				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$1,066.7	$2,306.8	$2,399.9	$1,112.9	$6,886.3
Adjusted EBITDA by segment	$207.0	$416.0	$326.8	$172.9	$1,122.7
Adjusted EBITDA margin by segment	19.4%	18.0%	13.6%	15.5%	16.3%
Head office corporate costs					$85.9
Adjusted EBITDA*					$1,036.8
Variance in adjusted EBITDA margin by segment compared to prior year	5.4%	3.4%	3.3%	3.9%	
Increase in adjusted EBITDA margin by segment due to adoption of IFRS 16**	4.6%	3.6%	3.0%	3.9%	
Remaining variance in adjusted EBITDA margin by segment	0.8%	-0.2%	0.3%	—%	

	Year ended December 31, 2018				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues by segment	$1,053.6	$1,758.2	$2,192.1	$1,016.7	$6,020.6
Adjusted EBITDA by segment	$147.1	$257.3	$225.4	$117.5	$747.3
Adjusted EBITDA margin by segment	14.0%	14.6%	10.3%	11.6%	12.4%
Head office corporate costs					$87.3
Adjusted EBITDA*					$660.0

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail.
** The impact of IFRS 16 is a proxy calculation, as if the Corporation had not adopted *IFRS 16 - Leases* effective January 1, 2019.

Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, stood at $281.6 million and 16.0%, respectively, for the fourth quarter ended December 31, 2019, compared to $191.1 million and 12.4%, respectively, for the comparable period in 2018.

For the year ended December 31, 2019, total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, stood at $1,122.7 million and 16.3%, respectively, compared to $747.3 million and 12.4%, respectively, for 2018.

The significant increases in all adjusted EBITDA metrics, consolidated and by reportable segments for both the fourth quarter and year ended December 31, 2019, were largely due to the adoption of *IFRS 16 - Leases.*

For the quarter ended December 31, 2019, in addition to the impact of IFRS 16, the remaining variances in adjusted EBITDA margin by segment are explained as follows:

- Canada improved slightly as a result of cost containment measures.
- In Americas, margins decreased in the US operations, negatively impacted by the integration of Louis Berger operations and by softness in margins in the Northeast region. Margins in the quarter were also negatively impacted by Latin American operations.
- In EMEIA, margin increased, despite lower margins from Louis Berger which have a higher structural cost base than WSP's legacy EMEIA operations. EMEIA benefitted from improved margins in the UK and Middle East.
- APAC remained stable in the quarter.

For the year ended December 31, 2019, in addition to the impact of IFRS 16, the remaining variances for Canada improved as a result of cost containment measures. For all other reportable segments the remaining variances are not significant.

Head office corporate costs, for the fourth quarter ended December 31, 2019, stood at $15.3 million, lower than the comparable period in 2018 and lower than Management’s outlook range of $20 million to $25 million quarterly due to cost containment measures and year end adjustments. Head office corporate costs for the year ended December 31, 2019 stood at $85.9 million, below Management's outlook range of $90 million to $95 million for 2019 due to cost containment measures.

8.6 RECONCILIATION OF ADJUSTED EBITDA

Management analyzes the Corporation’s financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. The following table reconcile this metric to the most comparable IFRS measure:

	Fourth quarters ended		**Year ended**	
(in millions of dollars)	**December 31, 2019**	**December 31, 2018**	**December 31, 2019**	**December 31, 2018**
Earnings before net financing expense and income taxes	**$82.7**	**$91.7**	**$487.8**	**$398.1**
Acquisition, integration and restructuring costs	$21.5	$21.7	$54.2	$62.3
Depreciation of right-of-use assets	$62.9	$—	$241.7	$—
Amortization of intangible assets	$38.7	$29.9	$110.7	$102.6
Depreciation of property and equipment	$27.8	$24.6	$101.0	$91.8
Impairment of property and equipment and goodwill	$29.0	$—	$29.0	$—
Share of depreciation and taxes of associates	$2.6	$0.4	$7.7	$1.4
Interest income	$1.1	$1.2	$4.7	$3.8
Adjusted EBITDA*	**$266.3**	**$169.5**	**$1,036.8**	**$660.0**

* Non-IFRS measure. Refer to section 22, “Glossary of non-IFRS measures and segment reporting measures” for more detail.

8.7 FINANCING EXPENSES

The Corporation's net financing expense relates mainly to interest expenses incurred on credit facilities and, effective January 1, 2019 as a result of the adoption of *IFRS 16 - Leases*, interest expense on lease liabilities. The Corporation uses its credit facilities to manage its working capital, capital expenditures and to finance business acquisitions.

Net financing expense for the fourth quarter ended December 31, 2019 was lower than fourth quarter of 2018, mainly due to recognition of gains on financial assets of $7.0 million compared to losses of $10.2 million. This favourable variance was partially offset by interest expense recorded on lease liabilities as a result of the adoption of *IFRS 16 - Leases.*

Net financing expense for the ended December 31, 2019 was higher when compared to 2018, mainly due to the interest expense recorded on lease liabilities as a result of the adoption of *IFRS 16 - Leases*, as well as higher interest on long-term debt following increases in debt levels mainly due to acquisitions. These increased expenses were partially offset by recognition of gains on financial assets of $21.1 million, compared to a loss in 2018.

8.8 INCOME TAXES

In the fourth quarter of 2019, an income tax expense of $13.5 million was recorded on earnings before income taxes of $54.3 million, representing an effective income tax rate of 24.9%. In addition, for the same period, the Corporation's share of income tax expense attributable to associates was $2.1 million.

For the year ended December 31, 2019, an income tax expense of $100.1 million was recorded on earnings before income taxes of $385.8 million representing an effective income tax rate of 25.9%, at the lower end of the range provided in the Corporation's 2019 outlook of 26% to 28%. In addition, for the same period, the Corporation's share of income tax expense attributable to associates was $5.8 million.

8.9 NET EARNINGS

In the fourth quarter of 2019, the Corporation's net earnings attributable to shareholders were $40.5 million, or $0.38 per share on a diluted basis, compared to $43.3 million, or $0.41 per share on a diluted basis for the comparable period in 2018. The decrease is mainly due to non-cash items, namely impairment charges on leasehold improvements and goodwill recorded in the fourth quarter of 2019, as well as increased amortization, mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018. In addition, the impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $5.9 million or $0.06 per share.

For the year ended December 31, 2019, the Corporation's net earnings attributable to shareholders were $286.5 million, or $2.72 per share, compared to $248.1 million, or $2.38 per share for the comparable period in 2018. The increase was mainly due to growth in net revenues and improvement in adjusted EBITDA margin. These improvements were partially offset by non-cash items, including a $25.3-million write-off of leasehold capital assets related to US operations ($18.5 million after tax), as well as an impact of approximately $23.2 million or $0.22 per share related to the adoption of *IFRS 16 - Leases*.

8.10 ADJUSTED NET EARNINGS

Management believes that in the context of highly acquisitive companies or consolidating industries such as engineering and construction, adjusted net earnings and adjusted net earnings per share should be taken into consideration in assessing the Corporation's performance against its peer group. The following table reconcile this metric to the most comparable IFRS measure:

	Fourth quarters ended		Year ended	
(in millions of dollars, except per share data)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Net earnings attributable to shareholders	**$40.5**	**$43.3**	**$286.5**	**$248.1**
Acquisition, integration and restructuring costs	$21.5	$21.7	$54.2	$62.3
Income taxes related to acquisition, integration and restructuring costs	$(5.4)	$(5.9)	$(14.0)	$(15.2)
Adjusted net earnings*	**$56.6**	**$59.1**	**$326.7**	**$295.2**
Adjusted net earnings per share*	**$0.53**	**$0.57**	**$3.10**	**$2.83**

* Non-IFRS measure. Refer to section *22*, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

Adjusted net earnings stood at $56.6 million, or $0.53 per share, in the fourth quarter of 2019, compared to $59.1 million, or $0.57 per share, in Q4 2018. The decrease is mainly due to non-cash items, namely impairment charges on leasehold improvements and goodwill recorded in the fourth quarter of 2019. The fourth quarter was also impacted by higher amortization of intangible assets, mainly due to the finalization of fair values of intangible assets acquired in the Louis Berger acquisition from December 2018. In addition, the impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $5.9 million or $0.06 per share.

Adjusted net earnings stood at $326.7 million, or $3.10 per share, for the year ended December 31, 2019, compared to $295.2 million, or $2.83 per share, in 2018. The increase in these metrics for the year was mainly due to growth in net revenues and improvement in adjusted EBITDA margin. Adjusted net earnings were negatively impacted by non-cash items, including the $25.3-million write-off of leasehold capital assets related to US operations, with after tax impact of $18.5 million, or $0.18 per share. The impact of adopting *IFRS 16 - Leases* represents a decrease of approximately $23.2 million or $0.22 per share.

9 LIQUIDITY

	Fourth quarters ended		Year ended	
(in millions of dollars)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash inflows from operating activities	$425.5	$337.4	$814.3	$669.7
Cash (outflows) inflows from financing activities	$(203.7)	$293.3	$(496.8)	$77.7
Cash outflows from investing activities	$(169.3)	$(556.6)	$(322.1)	$(678.1)
Effect of exchange rate change on cash	$(3.2)	$8.2	$(12.0)	$6.0
Change in net cash	**$49.3**	**$82.3**	**$(16.6)**	**$75.3**
Dividends paid to shareholders of WSP Global Inc.	$(19.3)	$(18.8)	$(77.6)	$(78.1)
Net capital expenditures	$(50.4)	$(47.0)	$(112.0)	$(122.3)

9.1 OPERATING ACTIVITIES AND FREE CASH FLOW

	Fourth quarters ended		Year ended	
(in millions of dollars)	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash inflows from operating activities	**$425.5**	**$337.4**	**$814.3**	**$669.7**
Lease payments in financing activities	$(67.0)	$—	$(260.7)	$—
Net capital expenditures**	$(50.4)	$(47.0)	$(112.0)	$(122.3)
Free cash flow*	**$308.1**	**$290.4**	**$441.6**	**$547.4**

* Non-IFRS measure. Refer to section *22*, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

** Capital expenditures pertaining to property and equipment and intangible assets, net of proceeds from disposal and lease incentives received.

Cash flows from operating activities

The increases for the quarter and year are due to the adoption of *IFRS 16 - Leases,* as the lease payments for most leases, totaling $260.7 million for the year, are included in financing activities in 2019.

Free cash flow

Free cash flow is an indication of the Corporation's continuing capacity to generate discretionary cash from operations. It represents cash flows for the period available to the suppliers of capital, which are the Corporation's creditors and shareholders. The free cash flow metric should be reviewed year-over-year as opposed to quarter-to-quarter as the timing of investments in capital expenditure initiatives and management of working capital can have an impact in the shorter term.

The free cash flow for the year ended December 31, 2019 was $441.6 million, compared to $547.4 million in 2018. Lower free cash flow in 2019 was driven by a small increase in working capital, compared to a large working capital decrease in 2018. While the Corporation continues to report strong DSO results in 2019, the net working capital improvement during 2019 was smaller than the improvement during 2018. This was partially offset by lower net capital expenditures in 2019 compared to 2018, due to timing of some investments.

9.2 FINANCING ACTIVITIES

In the fourth quarter of 2019, cash outflows used for financing activities included net repayments on long-term debt of $95.5 million, payments of interest and principal on lease liabilities of $67.0 million, net payments of financing expenses of $21.9 million and dividends paid, of which $19.3 million to shareholders of WSP Global Inc. and $0.5 million to non-controlling interests. Cash inflows of $0.5 million are related to issuance of shares upon exercise of stock options. The variance in cash flows from financing activities in the quarter relative to the fourth quarter of 2018 is mainly attributable to net proceeds of long-term debt in 2018 compared to a net repayment in 2019.

In the year ended December 31, 2019, cash outflows used for financing activities were mainly payments of interest and principal on lease liabilities of $260.7 million and net repayment of long-term debt of $96.6 million. In 2018 the net cash inflows were mainly due to net proceeds from long-term debt of $213.5 million.

9.3 INVESTING ACTIVITIES

In the fourth quarter of 2019, cash outflows used for investing activities of $125.9 million related to business acquisitions and $50.4 million related to net capital expenditures.

In the year ended December 31, 2019, cash outflows used for investing activities of $220.9 million related to business acquisitions and $112.0 million related to net capital expenditures. In 2018, cash outflows related to business acquisitions were higher due to the acquisition of Louis Berger.

9.4 NET DEBT

	As at	
(in millions of dollars)	**December 31, 2019**	**December 31, 2018**
Long-term debt[(1)]	$1,399.7	$1,524.7
Less: Cash	$(255.6)	$(254.7)
Net debt*	$1,144.1	$1,270.0
	Years ended	
	December 31, 2019	**December 31, 2018**
Adjusted EBITDA*	$1,036.8	$660.0
Net debt to adjusted EBITDA ratio*	1.1	1.9

* Non-IFRS measure. Refer to section 22, "Glossary of non-IFRS measures and segment reporting measures" for more detail.
(1) Including current portion.

As at December 31, 2019, 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 $1.1 billion and a net debt to adjusted EBITDA ratio of 1.1x as at December 31, 2019. Incorporating a full year adjusted EBITDA for all acquisitions on a pro forma basis, the ratio would remain 1.1x.

9.5 DIVIDENDS

On November 6, 2019, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 31, 2019, which was paid on January 15, 2020. The total amount of the dividends for the fourth quarter of 2019 is $39.7 million, paid subsequent to the end of the year.

Following the payment of dividends declared on November 7, 2018, March 13, 2019, May 14, 2019 and August 8, 2019, $79.9 million was reinvested in 1,161,114 common shares under the DRIP during the year ended December 31, 2019 (of which $20.3 million and 271,927 common shares during the fourth quarter of 2019).

Subsequent to the end of the year, holders of 44,852,053 common shares, representing 42.3% of all outstanding shares as at December 31, 2019, elected to participate in the DRIP. As a result, on January 15, 2020, $16.8 million of the fourth quarter dividend was reinvested in common shares of the Corporation. The net cash outflow on January 15, 2020 for the fourth quarter dividend payment was $22.9 million.

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 cash 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 section 19, “Forward-Looking Statements”, of this MD&A.

9.6 STOCK OPTIONS

As at February 25, 2020, 554,602 stock options were outstanding at exercise prices ranging from $35.12 to $70.71.

9.7 CAPITAL RESOURCES

	As at	
(in millions of dollars)	**December 31, 2019**	**December 31, 2018**
Cash	$255.6	$254.7
Available syndicated credit facility	$910.1	$918.0
Other operating credit facilities	$85.7	$126.5
Available short-term capital resources	**$1,251.4**	**$1,299.2**

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.

9.8 CREDIT FACILITY

The Corporation has in place, as at December 31, 2019, 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 for general corporate purposes and for financing business acquisitions. Under this credit facility, the Corporation is required, among other conditions, to respect certain covenants calculated 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. These terms and ratios are defined in the credit facility agreement and do not correspond to the Corporation’s metrics described in section 22, "Glossary of non-IFRS measures and segment reporting measures", or to other terms used in this MD&A.

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, 2019.

Subsequent to the end of the year, in February 2020, the Corporation signed an amendment to its existing syndicated credit facility, extending the maturity date of its US$1,200.0-million Revolving Credit Facility to December 31, 2023. The amendment includes financing terms that reduce the borrowing costs on the lending facility. The amendment also introduces an annual pricing adjustment based on the achievement of targets related to sustainability.

10 EIGHT QUARTER SUMMARY

(in millions of dollars, except per share data)	Trailing twelve months	2019** Q4 Fourth quarter ended December 31	2019** Q3 Third quarter ended September 28	2019** Q2 Second quarter ended June 29	2019** Q1 First quarter ended March 30	2018 Q4 Fourth quarter ended December 31	2018 Q3 Third quarter ended September 29	2018 Q2 Second quarter ended June 30	2018 Q1 First quarter ended March 31
Results of operations									
Revenues	$8,916.1	$2,209.3	$2,221.5	$2,311.7	$2,173.6	$2,043.9	$1,927.6	$2,025.9	$1,910.7
Net revenues*	$6,886.3	$1,760.7	$1,693.6	$1,768.6	$1,663.4	$1,541.0	$1,468.8	$1,541.1	$1,469.7
Adjusted EBITDA*	$1,036.8	$266.3	$288.2	$265.4	$216.9	$169.5	$187.5	$169.5	$133.5
Net earnings attributable to shareholders	$286.5	$40.5	$93.7	$88.7	$63.6	$43.3	$87.7	$67.4	$49.7
Basic and diluted net earnings per share		$0.38	$0.89	$0.84	$0.61	$0.41	$0.84	$0.65	$0.48
Backlog*		$8,131.8	$7,905.7	$7,952.7	$7,873.1	$7,678.7	$6,509.1	$6,706.9	$6,718.8
Dividends									
Dividends declared	$158.0	$39.7	$39.6	$39.4	$39.3	$39.2	$39.1	$38.9	$38.8
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

* Non-IFRS measure. Refer to section 22, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

** Following adoption of *IFRS 16 - Leases*, effective January 1, 2019 using the modified retrospective method, for which no restatement of prior year financial statement presentation was required.

The Corporation's quarterly earnings and revenue measures are, to a certain degree, affected by seasonality. The third and fourth quarters typically generate the largest contribution to net revenues and adjusted EBITDA, and the first quarter the least. The Corporation's cash flows from operations are also, to a certain degree, subject to seasonal fluctuations, with the fourth quarter historically generating a higher amount of cash flows from operations.

11 SELECTED ANNUAL INFORMATION

For the years ended and as at December 31	**2019**	**2018**	**2017**
(in millions of dollars, except per share data)			
Revenues	$8,916.1	$7,908.1	$6,942.2
Net revenues*	$6,886.3	$6,020.6	$5,356.6
Net earnings attributable to shareholders of WSP Global Inc.	$286.5	$248.1	$213.3
Net earnings per share attributable to shareholders of WSP Global Inc.			
Basic	$2.72	$2.38	$2.08
Diluted	$2.71	$2.38	$2.08
Total assets	$8,676.1	$7,766.6	$6,523.6
Non-current financial liabilities (1)	$1,930.8	$1,467.9	$907.8
Dividends declared per share to holders of common shares of WSP Global Inc.	$1.50	$1.50	$1.50

* Non-IFRS measure. Refer to section *22*, "Glossary of non-IFRS measures and segment reporting measures" for more detail.

(1) Financial liabilities consist of long-term debt and lease liabilities, excluding current portions.

Revenue and net revenue growth over the three-year period has been driven by acquisition growth, as well as solid net revenue organic growth of 3.5% in both 2019 and 2018. Net earnings attributable to shareholders and net earnings per share attributable to shareholders has increased mainly through growth in net revenues and improvement in adjusted EBITDA margin, normalized for the 2019 impact of adopting *IFRS 16 - Leases*.

The acquisition of Louis Berger had a significant impact not only on revenues but also drove the increase in total assets from December 31, 2017 to 2018. The increase in total assets from December 31, 2018 to 2019 was mainly due to the recognition of right-of-use assets upon the adoption of *IFRS 16 - Leases* on January 1, 2019.

Financial liabilities increased from December 31, 2017 to 2018 as the Corporation financed its acquisitions, in part, with its credit facility and increased from December 31, 2018 to 2019 due to recognition of lease liabilities upon the adoption of *IFRS 16 - Leases* on January 1, 2019.

12 GOVERNANCE

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 also designed internal controls over financial reporting ("ICFR") or have caused ICFR to be designed under their supervision using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

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.

There were no changes in the Corporation's ICFR that occurred during the period beginning on September 29, 2019 and ended on December 31, 2019 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.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board has oversight responsibilities for reported financial information. Accordingly, the Board of WSP has reviewed and approved, upon recommendation of the Audit Committee of the Corporation, this MD&A and the audited consolidated financial statements for the year ended December 31, 2019, before their publication.

13 CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires Management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. Critical accounting estimates are those which are highly uncertain at the time they are made and where different reasonably likely estimates, or reasonably likely changes in estimates from period to period, would have a material impact on the Corporation's financial condition or results of operations.

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

The Corporation's most critical accounting estimates are discussed in note 4, Critical accounting estimates and judgments, to the consolidated financial statements.

14 CHANGES IN ACCOUNTING POLICIES

NEW ACCOUNTING STANDARDS EFFECTIVE IN 2019

IFRS 16 - Leases

The Corporation adopted *IFRS 16 - Leases* on January 1, 2019, using the modified retrospective method, for which no restatement of prior year financial statement presentation was required. See note 3, Changes in accounting policies, to the consolidated financial statements, for further details.

The adoption of *IFRS 16 - Leases* resulted in a higher adjusted EBITDA in 2019 as compared to 2018, due to the fact that in 2019 most lease-related costs are recorded as depreciation of right-of-use assets and interest expense on lease liabilities, which are costs excluded from adjusted EBITDA.

The adoption of *IFRS 16 - Leases* has decreased the Corporation's net debt to adjusted EBITDA ratio, due to the higher adjusted EBITDA.

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

See note 3, Changes in accounting policies, to the consolidated financial statements, for further details.

15 FINANCIAL INSTRUMENTS

The Corporation’s financial assets include cash, trade receivables and other receivables. The Corporation's financial liabilities include accounts payable and accrued liabilities, dividends payable to shareholders, lease liabilities, bank overdrafts, other financial liabilities, borrowings under credit facilities and other debt.

The Corporation uses derivative financial instruments to manage its exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading or speculative purposes.

The Corporation's financial instruments expose the Corporation to primarily to foreign exchange, credit, liquidity and interest rate risks. Refer to section 20, "Risk factors", as well note 13, Financial instruments, to the consolidated financial statements, for a description of these risks and how they are managed. Refer to note 13, Financial instruments, to the consolidated financial statements for description of how fair values are determined.

16 RELATED PARTY TRANSACTIONS

The Corporation's related parties, as defined by IFRS, are its joint operations, joint ventures, associates and key management personnel. A description of any material transactions with these related parties is included in note 29, Related party transactions, to the consolidated financial statements.

17 OFF-BALANCE SHEET AGREEMENTS

The Corporation does not engage in the practice of off-balance sheet financing, except for the use of letters of credit.

18 CONTRACTUAL OBLIGATIONS

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 following table provide a summary of the timing of Corporation's undiscounted long-term contractual obligations as at December 31, 2019:

(In millions of dollars)	2020	2021	2022 and thereafter	Total
Long-term debt	$310.3	$292.1	$914.0	$1,516.4
Lease liabilities	$276.2	$280.2	$665.2	$1221.6

Management expects the Corporation's cash flows from its operations and amounts available under credit facilities will be sufficient to meet its contractual obligations in the future.

19 FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, the Corporation may make or provide 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 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 may contain forward-looking statements. 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 February 26, 2020, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements.

Forward-looking statements made by the Corporation are based on a number of assumptions believed by the Corporation to be reasonable as at February 26, 2020, 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, if any, are set out throughout this MD&A. If these assumptions prove to be inaccurate, the Corporation's actual results could differ materially from those expressed or implied in forward-looking statements.

In evaluating these forward-looking statements, investors should specifically consider various risk factors, which, if realized, could cause the Corporation's actual results to differ materially from those expressed or implied in forward-looking statements. Such risk factors include, but are not limited to, the following risk factors discussed in greater detail in section 20, "Risk factors": "Environmental, Health and Safety Risks and Hazards"; "Non-Compliance with Laws or Regulations"; "Systems, Network Infrastructure and Data Failure, Interruption and Breach"; "Global Operations"; "Competition in the Industry"; "Revenues from Contracts with Government Agencies"; "Growth by Acquisitions"; "Acquisition Integration and Management"; "Availability and Retention of Qualified Professional Staff"; "Controls and Disclosure"; "Risk of Future Legal Proceedings"; "Risks Associated with Professional Services Contracts"; "Reputational Risk"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Adequate Utilization of Workforce"; "Work Stoppage and Labour Disputes"; "Challenges Associated with Size"; "Joint Arrangements"; "Reliance on Suppliers and Subcontractors"; "Economic Environment"; "Changes to Regulations"; "Increased Awareness of Environmental Factors"; "Insurance Limits"; "Changes to Backlog"; "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"; "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 or other documents that the Corporation makes public, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

The Corporation cautions that the foregoing list of risk factors is not exhaustive. 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.

20 RISK FACTORS

The Corporation is subject to a number of risks and uncertainties and is affected by a number of factors which could have a material adverse effect on the Corporation's business, financial condition, operating results, future prospects or achievement of its 2019-2021 Global Strategic Plan. 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 Management considers as the most material to the Corporation's business. This is not, however, a comprehensive list of the potential risks the Corporation currently faces, 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, cause a decline in the price of shares or adversely affect the Corporation's ability to declare dividends on the shares.

RISKS RELATED TO THE BUSINESS

Environmental, Health and Safety Risks and Hazards

The Corporation’s Environmental, Health and Safety systems and policies 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. Unsafe work conditions also have the potential of increasing employee turnover, increasing project and operating costs and could negatively impact the awarding of new contracts. The Corporation could also be exposed to substantial security costs in order to maintain the safety of its personnel as well as to civil and/or statutory liability to employees and to 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. Acts of terrorism and threats of armed conflicts in or around various areas in which the Corporation operates could limit or disrupt markets and its operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets. 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. The Corporation's control measures may not be sufficiently effective to protect it from the consequences of such acts committed by its current and former directors, officers, employees, consultants, 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, consultants, 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 other 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 termination of certain government contracts, 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, any of which may adversely affect the Corporation's business.

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. In addition, the Corporation processes and stores proprietary information relating to its business, client information which may include proprietary, sensitive and personal information limited to the nature of professional services it provides and personal information relating to employees. If the Corporation is unable to continually and adequately maintain such systems, to scale and add software and hardware, to effectively upgrade its systems and network infrastructure, to 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, which could adversely affect the Corporation's business, financial position and results of operations.

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, unauthorized access, computer hackers, malicious code, cyber-attacks, phishing, physical or electronic security breaches, or similar events or disruptions. The Corporation may experience errors, outages or delays of service in information technology which could significantly disrupt its operations, impact its clients and employees, damage its reputation, and result in litigation and regulatory fines or penalties. The Corporation also faces numerous and evolving security risks including cyber threats from criminal hackers, hacktivists, state sponsored organizations, industrial espionage, employee misconduct and human or technological errors. Any resulting unauthorized access, misappropriation, corruption and disclosure of sensitive or confidential client, personal or corporate information could cause a loss of data, a misuse of its and its clients' sensitive, confidential or proprietary information, or cause interruptions in its operations, and give rise to remediation or other expenses, expose the Corporation to litigation and investigations, which could have an adverse effect on its and its clients' operations, its reputation and result in litigation and regulatory fines or penalties, exclusion in future client opportunities and loss of client contracts.

The Corporation relies on third party software and services to support its delivery of professional services to clients such as design, collaboration and project management, and to support the Corporation's accounting and financial information systems. While the Corporation selects third-party vendors carefully, it does not control their actions. Any technology services provided by a third-party, including contractors, business partners, vendors and other third parties, may be subject to breakdowns, disruption in information and communication services, inability to handle current or higher volumes, cyber-attacks, security and data breaches. These risks could adversely affect the Corporation's operations and its ability to deliver services to clients.

As the cyber threat landscape evolves, the Corporation may be required to allocate significant resources to protect against the threat of system disruptions and security breaches, or to alleviate problems caused by disruptions and breaches. The measures taken by the Corporation 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 the Corporation or its clients' business or personal employee information or cause interruptions or malfunctions in system operations. Any of these or other events could cause system interruptions, delays, and loss of critical data and expose the Corporation, clients, or other third-parties to potential liability, litigation, and regulatory action, as well as the loss of client confidence, loss of existing or potential clients, loss of sensitive government contracts, damage to brand and reputation, and other financial loss.

Global Operations

The Corporation's business is dependent on the continued success and growth of its 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, regulations and policies, together with potential adverse or significant changes in laws and regulatory framework and practices;
- changes in foreign government trade policies affecting the markets for the Corporation's services;
- 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;
- changes in regulatory practices, tariffs and taxes;
- foreign ownership restrictions with respect to operations in certain countries or the risk that such restrictions will be adopted in the future;
- 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, civil unrest, force majeure, war, terrorism and other armed conflict; and
- cultural, logistical and communications challenges.

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 certain markets. 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 revenue, profitability and market share in the market sectors in which the Corporation operates.

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.

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. In addition, the successful integration of an acquired business is subject to the risk of the potential loss of key personnel of such acquired 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. The Corporation may not ever realize the full benefits of an acquisition, including the synergies, cost savings, or sales or growth opportunities.

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.

Availability and Retention of Qualified Professional Staff

There is strong competition for qualified technical and management personnel in the sectors in which the Corporation competes. The Corporation's success depends in part on its continued ability to attract and retain qualified and skilled engineers and other professional staff and to establish and execute an effective succession plan. 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. If the Corporation's succession plan fails to identify those individuals with high potential or to develop these key individuals, it may be unable to replace key members who retire or leave the Corporation and may be required to recruit and/or train new employees. The inability to attract, hire and retain sufficient numbers of qualified management personnel, engineers and other professional staff as well as to establish and execute an effective succession plan could limit the Corporation's ability to successfully complete existing projects and compete for new projects, which could adversely affect the Corporation's ability to sustain and increase revenues and its future results.

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 related to Current or 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. On December 27, 2019, over 100 plaintiffs filed suit in the US District Court for Washington, DC against a number of US government contractors, including Louis Berger Group Inc. and Louis Berger International Inc. (collectively, "LB") which the

Corporation acquired in December 2018, alleging that between 2009 and 2017 they had violated the Anti-Terrorism Act by making payments to private security firms with knowledge that those firms were affiliated with the Taliban. Although the Corporation believes at this preliminary stage of the proceedings that LB has a strong defense to offer, it cannot predict the outcome of this suit, potential losses or the impact on its reputation.

The Corporation also 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, penalties or injunctive relief 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.

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.

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 the Corporation's business.

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 that could materially and adversely affect the Corporation's revenues and profitability.

The coronavirus outbreak could impact the Corporation's operations. In December 2019, a novel strain of coronavirus has been reported in China and other countries. The Corporation could experience business disruptions in that region or beyond depending on future developments, however, it cannot reasonably estimate the potential impact at this time. The extent to which the coronavirus impacts the Corporation's results will depend on any further developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others.

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 at December 31, 2019, employees predominantly in the Nordics and Continental Europe, representing less than 13% 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.

Challenges Associated with Size

In recent years, the Corporation has significantly increased in size and now has approximately 50,000 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. The size and scope of the Corporation's operations increase the possibility that it will have employees who engage in unlawful or fraudulent activity, or otherwise expose it to business or reputational risks, despite the Corporation's efforts to provide training and maintain controls to prevent such instances. If the Corporation cannot overcome these obstacles, it may not be able to achieve its growth and profitability objectives.

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.

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.

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.

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.

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.

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 its 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.

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.

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, although credit is extended following an evaluation of creditworthiness, the Corporation does not require collateral or other security from customers for trade accounts receivable. Large uncollectible accounts receivable balances could have a material adverse effect on the Corporation's financial condition.

Increased Indebtedness and Raising Capital

As at December 31, 2019, $1,350.4 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.

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 Long-Lived Assets

Because the Corporation has grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of the Corporation's assets. As at December 31, 2019, the Corporation had $3.6 billion of goodwill, representing 41% of its total assets of $8.7 billion. Under IFRS, the Corporation is required to test goodwill and indefinite-lived intangible assets carried in its consolidated statement 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 long-lived assets 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, pound sterling, 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.

The Corporation operates internationally which significantly increases its exposure to the currency risk arising from its operating activities denominated in US dollars, pounds sterling, Swedish kronas and euros and to its net assets in foreign operations. 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.

Income Taxes

The Corporation is subject to income taxes in various foreign jurisdictions. The tax legislation, regulation and interpretation that apply to its 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 the Corporation operates. 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 the Corporation's tax benefits or tax liability will not materially differ from its 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 the Corporation 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 the Corporation's net income or cash flows by affecting its operations and profitability, the availability of tax credits, the cost of the services it provides, and the availability of deductions for operating losses as the Corporation grows its 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 OF THE CORPORATION

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. The dilutive effect of these issuances may adversely affect the Corporation's ability to obtain additional capital or impair the Corporation's share price.

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 believes 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 section 19, "Forward-Looking Statements".

21 ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on our Website at www.wsp.com and on SEDAR at www.sedar.com. The Corporation's Annual Information Form for the year ended December 31, 2018, is available on these websites.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP". As at December 31, 2019, the Corporation had 105,932,842 common shares outstanding. As at February 25, 2020, the Corporation had 106,118,446 common shares outstanding following the share issuance realized under the DRIP after the payment of the fourth quarter dividend on January 15, 2020.

The Corporation has no other shares outstanding.

22 GLOSSARY OF NON-IFRS MEASURES AND SEGMENT REPORTING MEASURES

NET REVENUES AND NET REVENUES BY SEGMENT

Net revenues and net revenues by segment are defined as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from clients.

Net revenues is a non-IFRS measure and net revenues by segment is a segment reporting measure, both without a standardized definition within IFRS. Therefore, net revenues and net revenues by segment may not be comparable to similar measures presented by other issuers.

Management analyzes the Corporation's financial performance 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. Refer to section 8.1, "Results of Operations" for reconciliations of revenues to net revenues.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

Adjusted EBITDA is defined as earnings before net financing expense (except interest income), income tax expense, depreciation, amortization, impairment charges and reversals thereof, share of income tax expense and depreciation of associates and acquisition, integration and restructuring costs. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues.

Adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures without standardized definitions within IFRS. The Corporation's definition of adjusted EBITDA may differ from other issuers and, accordingly, these measures may not be comparable to similar measures used by other issuers.

Management analyzes the Corporation's financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. Refer to section 8.6, "Reconciliation of adjusted EBITDA" for reconciliations of earnings before net financing expense and income taxes to adjusted EBITDA.

ADJUSTED EBITDA BY SEGMENT AND ADJUSTED EBITDA MARGIN BY SEGMENT

Adjusted EBITDA by segment is defined as adjusted EBITDA excluding head office corporate costs. Head office corporate costs are expenses and salaries related to centralized functions, such as head office finance, human resources and technology teams, which are not allocated to reportable segments. Adjusted EBITDA margin by segment is defined as adjusted EBITDA before head office corporate costs expressed as a percentage of net revenues.

These are segment reporting measures without standardized definitions within IFRS. Other issuers may define adjusted EBITDA by segment differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

This metric provides Management with comparability from one reportable segment to another. Refer to section 8.6, "Reconciliation of adjusted EBITDA" for reconciliations of earnings before net financing expense and income taxes to adjusted EBITDA. Refer to section 8.5, "Adjusted EBITDA by segment" for reconciliations of adjusted EBITDA to adjusted EBITDA by segment.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Adjusted net earnings is defined as net earnings attributable to shareholders excluding acquisition, integration and restructuring costs and the income tax effects related to these costs. Adjusted net earnings per share is calculated using the basic weighted average number of shares.

Adjusted net earnings and adjusted net earnings per share are non-IFRS measures without standardized definitions within IFRS. Other issuers may define adjusted net earnings differently and, accordingly, these measures may not be comparable to similar measures used by other issuers.

These metrics provide a comparative measure of the Corporation's performance in a context of significant business combinations, in which the Corporation may incur significant acquisition, integration and restructuring costs. Management believes these costs should be excluded in understanding the underlying operational financial performance achieved by the Corporation. Refer to section 8.10, "Adjusted net earnings" for reconciliations of net earnings attributable to shareholders to adjusted net earnings.

BACKLOG

Backlog represents future revenues stemming from existing signed contracts to be completed. Backlog is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Refer to section 8.3, "Backlog" for reconciliations of backlog to unfulfilled performance obligations.

FREE CASH FLOW

Free cash flow is defined as cash flows from operating activities, plus discretionary cash generated by the Corporation from other activities (if any), less lease payments and net capital expenditures.

Free cash flow is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Free cash flow provides a consistent and comparable measure of discretionary cash generated by, and available to, the Corporation to service debt, meet other payment obligations and make strategic investments. Refer to section 9.1, "Operating activities and free cash flow" for reconciliations of free cash flow to cash flows from operating activities.

DAYS SALES OUTSTANDING ("DSO")

DSO represents the average number of days to convert the Corporation's 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. DSO is a non-IFRS measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

NET DEBT TO ADJUSTED EBITDA RATIO

Net debt to adjusted EBITDA ratio is a non-IFRS measure without a standardized definition within IFRS. Net debt is defined as long-term debt and other financial liabilities, including current portions but excluding lease liabilities, and net of cash.

The Corporation uses this ratio as a measure of financial leverage and it is calculated using our trailing twelve month adjusted EBITDA. Refer to section 9.4 "Net debt" for a calculation of net debt and section 10, "Eight quarter summary" for the trailing twelve month adjusted EBITDA.

Consolidated Financial Statements

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, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. With approximately 50,000 talented people globally, we engineer projects that will help societies grow for lifetimes to come.

HEAD OFFICE
WSP GLOBAL INC.
1600 RENE-LEVESQUE BLVD WEST, 11th FLOOR
MONTREAL, QC H3H 1P9
CANADA

wsp.com

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, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the *International Accounting Standards Board* (IFRS).

What we have audited

The Corporation's consolidated financial statements comprise:

- 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 financial position as at December 31, 2019 and 2018;
- 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 the 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

February 26, 2020

[1] CPA auditor, CA, public accountancy Permit No. A113048

CONSOLIDATED STATEMENTS OF EARNINGS

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

For the years ended December 31	2019	2018
	$	$
Revenue (note 7)	**8,916.1**	**7,908.1**
Personnel costs	5,177.2	4,567.1
Subconsultants and direct costs	2,029.8	1,887.5
Other operational costs	703.3	797.2
Depreciation of right-of-use assets (note 17)	241.7	—
Amortization of intangible assets (note 19)	110.7	102.6
Depreciation of property and equipment (note 18)	101.0	91.8
Impairment of property and equipment and goodwill (notes 18 and 20)	29.0	—
Acquisition, integration and restructuring costs (note 10)	54.2	62.3
Exchange (gain) loss	(6.3)	2.3
Share of income of associates and joint ventures, net of tax	(12.3)	(0.8)
Earnings before net financing expense and income taxes	**487.8**	**398.1**
Net financing expense (note 11)	102.0	68.8
Earnings before income taxes	**385.8**	**329.3**
Income tax expense (note 12)	100.1	80.5
Net earnings	**285.7**	**248.8**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	286.5	248.1
Non-controlling interests	(0.8)	0.7
	285.7	**248.8**
Basic net earnings per share attributable to shareholders	2.72	2.38
Diluted net earnings per share attributable to shareholders	2.71	2.38
Basic weighted average number of shares	105,235,267	104,150,041
Diluted weighted average number of shares	105,613,623	104,392,368

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)

For the years ended December 31	2019	2018
	$	$
Net earnings	285.7	248.8
Other comprehensive income		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	(179.1)	176.6
Translation adjustments on financial instruments designated as net investment hedge	61.3	(55.8)
Income tax recovery (expense)	1.6	(0.9)
Items that will not be reclassified to net earnings		
Actuarial (loss) gain on pension schemes	(39.1)	12.5
Exchange differences	1.1	—
Income tax recovery (expense)	8.5	(3.1)
Total comprehensive income for the period	**140.0**	**378.1**
Comprehensive income attributable to:		
Shareholders of WSP Global Inc.	140.8	377.4
Non-controlling interests	(0.8)	0.7
	140.0	**378.1**

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

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions of Canadian dollars)

As at December 31	2019	2018
	$	$
Assets		
Current assets		
Cash	255.6	254.7
Trade receivables and other receivables (note 14)	1,767.8	1,758.6
Cost and anticipated profits in excess of billings (note 15)	995.7	1,116.1
Other financial assets (note 16)	114.5	100.6
Prepaid expenses	104.2	99.0
Income taxes receivable	18.8	13.6
	3,256.6	3,342.6
Non-current assets		
Right-of-use assets (note 17)	913.4	—
Property and equipment (note 18)	347.7	350.6
Intangible assets (note 19)	355.4	367.7
Goodwill (note 20)	3,568.8	3,493.2
Deferred income tax assets (note 12)	145.8	116.1
Other assets (note 21)	88.4	96.4
	5,419.5	4,424.0
Total assets	**8,676.1**	**7,766.6**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 22)	1,650.7	1,693.7
Billings in excess of costs and anticipated profits (note 15)	629.0	678.3
Income taxes payable	125.3	52.1
Provisions (note 23)	71.8	93.8
Dividends payable to shareholders (note 27)	39.7	39.2
Current portion of lease liabilities (note 17)	211.7	—
Current portion of long-term debt (note 24)	307.8	56.8
	3,036.0	2,613.9
Non-current liabilities		
Long-term debt (note 24)	1,091.9	1,467.9
Lease liabilities (note 17)	838.9	—
Provisions (note 23)	72.8	153.1
Retirement benefit obligations (note 9)	213.4	197.7
Deferred income tax liabilities (note 12)	91.2	74.3
	2,308.2	1,893.0
Total liabilities	**5,344.2**	**4,506.9**
Equity		
Equity attributable to shareholders of WSP Global Inc.	3,330.8	3,259.0
Non-controlling interests	1.1	0.7
Total equity	**3,331.9**	**3,259.7**
Total liabilities and equity	**8,676.1**	**7,766.6**

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.

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	**Contributed Surplus**	**Retained earnings**	**Accumulated other comprehensive income**	**Total**	**Non-controlling interests**	**Total equity**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Balance - January 1, 2019	**2,656.5**	**204.9**	**181.3**	**216.3**	**3,259.0**	**0.7**	**3,259.7**
Comprehensive income							
Net earnings	—	—	286.5	—	286.5	(0.8)	285.7
Actuarial loss on pension schemes, net of tax	—	—	—	(29.5)	(29.5)	—	(29.5)
Currency translation adjustments, net of tax	—	—	—	(160.3)	(160.3)	—	(160.3)
Net investment hedge, net of tax	—	—	—	44.1	44.1	—	44.1
Total comprehensive income	**—**	**—**	**286.5**	**(145.7)**	**140.8**	**(0.8)**	**140.0**
Common shares issued under the DRIP (note 25)	79.9	—	—	—	79.9	—	79.9
Exercise of stock options (note 25)	15.8	(2.5)	—	—	13.3	—	13.3
Stock-based compensation expense	—	2.2	—	—	2.2	—	2.2
Declared dividends to shareholders of WSP Global Inc.	—	—	(158.0)	—	(158.0)	—	(158.0)
Non-controlling interests on acquisition of subsidiary	—	—	—	—	—	1.0	1.0
Dividends to non-controlling interests	—	—	—	—	—	(6.2)	(6.2)
Purchase of non-controlling interests	—	—	(6.4)	—	(6.4)	6.4	—
Balance - December 31, 2019	**2,752.2**	**204.6**	**303.4**	**70.6**	**3,330.8**	**1.1**	**3,331.9**

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

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed Surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Balance - January 1, 2018	**2,577.4**	**204.2**	**90.4**	**87.0**	**2,959.0**	**—**	**2,959.0**
Comprehensive income							
Net earnings	—	—	248.1	—	248.1	0.7	248.8
Actuarial gain 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**
Common shares issued under the DRIP (note 25)	77.4	—	—	—	77.4	—	77.4
Exercise of stock options (note 25)	1.7	(0.3)	—	—	1.4	—	1.4
Stock-based compensation expense	—	1.0	—	—	1.0	—	1.0
Declared dividends to shareholders of WSP Global Inc.	—	—	(156.0)	—	(156.0)	—	(156.0)
Purchase of non-controlling interests	—	—	(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

(in millions of Canadian dollars)

For the years ended December 31	**2019**	**2018**
	$	**$**
Operating activities		
Net earnings	285.7	248.8
Adjustments (note 28)	435.4	171.1
Net financing expense (note 11)	102.0	68.8
Income tax expense (note 12)	100.1	80.5
Income taxes paid	(79.8)	(73.9)
Change in non-cash working capital items (note 28)	(29.1)	174.4
Cash inflows from operating activities	**814.3**	**669.7**
Financing activities		
Dividends paid to shareholders of WSP Global Inc.	(77.6)	(78.1)
Net (repayment) proceeds of long-term debt	(96.6)	213.5
Net financing expenses paid	(69.0)	(59.1)
Lease payments (note 17)	(260.7)	—
Issuance of common shares, net of issuance costs	13.3	1.4
Dividends paid to a non-controlling interest	(6.2)	—
Cash (outflows) inflows from financing activities	**(496.8)**	**77.7**
Investing activities		
Net disbursements related to business acquisitions	(220.9)	(556.7)
Lease incentives received	25.3	—
Additions to property and equipment, excluding business acquisitions	(122.4)	(98.1)
Additions to identifiable intangible assets, excluding business acquisitions	(26.6)	(28.7)
Proceeds from disposal of property and equipment	11.7	4.5
Dividends received from associates	10.8	—
Other	—	0.9
Cash outflows from investing activities	**(322.1)**	**(678.1)**
Effect of exchange rate change on cash	(12.0)	6.0
Change in net cash	**(16.6)**	**75.3**
Cash, net of bank overdraft – beginning of the year	253.9	178.6
Cash, net of bank overdraft - end of the year (note 28)	**237.3**	**253.9**

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

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

NOTES

1	BASIS OF PRESENTATION	81
2	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	81
3	ACCOUNTING POLICY DEVELOPMENTS	92
4	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	94
5	BUSINESS ACQUISITIONS	96
6	OPERATING SEGMENTS	100
7	REVENUES	103
8	LONG-TERM INCENTIVE PLANS ("LTIPS")	104
9	PENSIONS SCHEMES	105
10	ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS	109
11	NET FINANCING EXPENSE	109
12	INCOME TAXES	110
13	FINANCIAL INSTRUMENTS	113
14	TRADE AND OTHER RECEIVABLES	117
15	CONTRACT BALANCES	118
16	OTHER FINANCIAL ASSETS	119
17	RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	119
18	PROPERTY AND EQUIPMENT	120
19	INTANGIBLE ASSETS	121
20	GOODWILL	122
21	OTHER ASSETS	125
22	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	125
23	PROVISIONS	125
24	LONG-TERM DEBT	126
25	SHARE CAPITAL	127
26	CAPITAL MANAGEMENT	128
27	DIVIDENDS	128
28	STATEMENTS OF CASH FLOWS	129
29	RELATED PARTY TRANSACTIONS	130
30	CONTINGENT LIABILITIES	131

1 BASIS OF PRESENTATION

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 Blvd West, Montreal, Quebec, Canada.

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

STATEMENT OF COMPLIANCE

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

These financial statements were approved by the Corporation's Board of Directors on February 26, 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated in note 3, Accounting policy developments.

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.

SUBSIDIARIES

Subsidiaries are all 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 and 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.

The table below lists the Corporation's most significant subsidiaries for each fiscal year ended December 31, based on revenues. The Corporation held 100% of the interest in all the subsidiaries listed below.

2019		2018	
Entity	**Country of incorporation**	**Entity**	**Country of incorporation**
WSP USA Inc.	US	Parsons Brinckerhoff Holdings Inc.	US
WSP USA Buildings Inc.	US	WSP UK Ltd.	UK
WSP USA Services Inc.	US	WSP Canada Inc.	Canada
WSP Michigan Inc.	US	WSP Sverige AB	Sweden
WSP UK Ltd.	UK	WSP Australia Pty Ltd.	Australia
WSP Canada Inc.	Canada	WSP Canada Group Ltd.	Canada
WSP Sverige AB	Sweden	Opus International Consultants Ltd.	New Zealand
WSP Australia Pty Ltd.	Australia	WSP Asia Ltd.	Hong Kong
Louis Berger US	US	WSP Consultancy Pte Ltd.	Singapore
Louis Berger Group Inc.	US	WSP Hong Kong Ltd.	Hong Kong

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 included in other assets in the statements of financial position. The carrying amount of investments in joint ventures is tested for impairment as described below under the caption "Impairment of long-lived assets".

ASSOCIATES

Associates are all entities over which the Corporation has significant influence but not control or joint control. Investments in associates are accounted for using the equity method and included in other assets in the statements of financial position. The carrying amount of investments in associates is tested for impairment as described below under the caption "Impairment of long-lived assets".

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 (i.e. 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 net 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 is managed through four reportable segments: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific – comprising Asia, Australia and New Zealand).

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 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 obligations are 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, the Corporation disaggregates its revenues by market sector and client category, as described below.

Revenues (and profits) from cost-plus contracts with ceilings and from fixed-price contracts are recognized progressively based on a percentage-of-completion method, whereby the percentage of revenues earned to date is estimated using an input measure, usually as the ratio of contract costs incurred to date 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 are recoverable directly from customers and are billed to them. These charges are included in revenues and costs when the Corporation controls the goods or services before they are transferred to the customer. The value of goods and services purchased by the Corporation, when acting as a purchasing agent for a customer, are not recorded as revenues and costs.

The effect of revisions to estimated 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, as disclosed in note 7, Revenues, are: Transportation & Infrastructure, Property & Buildings, Environment, Resources (including mining, oil and gas), Power & Energy and Industry.

The Corporation's main client categories are public and private sector clients. Revenues generated from contracts where the end user of services provided is identified to be a public sector entity are classified as public sector revenues. Entities controlled by any branch of government would be considered public sector entities. Revenues generated from contracts where the end user of services provided is not identified as a public sector entity are classified as private sector revenues.

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

PERSONNEL COSTS

Personnel costs include various 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 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, INTEGRATION AND RESTRUCTURING COSTS

Acquisition, integration and restructuring costs include, among others, the following costs, if and when incurred:

- Transaction costs related to business acquisitions, successful or not;
- Costs of integrating newly acquired businesses following the date of acquisition;
- Gains or losses on disposals of non-core assets;

- 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;
- Past service cost related to legacy UK-based defined benefit pension plans (see note 9); and
- Restructuring costs.

The above list may be adjusted, from time to time, when it is deemed appropriate to highlight other items under this caption to assist users in understanding the financial performance of the Corporation.

LEASE ACCOUNTING POLICY EFFECTIVE JANUARY 1, 2019

The Corporation leases various office premises and equipment under lease agreements. Lease terms are negotiated on an individual basis, contain a wide range of different terms and conditions and usually can be renewed at market rates.

The majority of leases are recognized as right-of-use assets, with a corresponding liability at the date at which the leased asset is available for use by the Corporation. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the statement of earnings over the lease period using the effective interest method. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease extension and termination options are included in the lease term only when it is reasonably certain that the Corporation will exercise the option.

Liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- any obligations to incur restoration costs.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments and fixed payments for any extension options included in the lease term), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Corporation under residual value guarantees;
- the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the relevant incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the Corporation’s statement of earnings. Short-term leases have a lease term of twelve months or less. Low-value asset leases comprise mostly computer equipment and small items of office furniture.

LEASE ACCOUNTING POLICY PRIOR TO JANUARY 1, 2019

Leases were 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 were classified as operating leases. Payments made under these leases (net of any incentives received from the lessor) were charged to net earnings on a straight-line basis over the term of the lease.

Finance leases which transfer to the Corporation substantially all the risks and benefits of ownership of the asset were 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 were charged to net earnings over the period of the agreement. Obligations under finance leases were included in other financial liabilities net of finance costs allocated to future periods. Capitalized leased assets were depreciated over the estimated life of the asset or the lease term.

FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification. Financial assets are classified and measured at amortized cost or fair value through profit or loss ("FVTPL") based on how the Corporation manages the financial instruments and the contractual cash flow characteristics of the financial asset.

The table below summarizes the classification and measurement of the Corporation's financial instruments:

Financial assets	
Cash and restricted cash	Amortized cost
Trade receivables, other receivables, amounts due from joint ventures and associates	Amortized cost
Investments in securities	FVTPL
Derivatives	FVTPL

Financial liabilities	
Accounts payables and accrued liabilities	Amortized cost
Dividends payable to shareholders	Amortized cost
Borrowings under credit facility, bank overdrafts and other debt	Amortized cost
Consideration payable related to business acquisitions	Amortized cost
Derivatives	FVTPL

Financial assets and liabilities classified as amortized cost are subsequently measured using the effective interest rate method less any impairment loss.

Changes in fair value are recorded in net financing expenses in the statement of earnings.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled or expired.

EXPECTED CREDIT LOSSES

The Corporation applies the simplified approach to measuring expected credit losses for all trade receivables and contract assets (costs and anticipated profits in excess of billings). Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance at an amount equal to the lifetime expected credit losses at each reporting date. The factors that the Corporation considers to classify trade receivables as credit-impaired are as follows: the customer is in bankruptcy or under administration, payments are in dispute, or payments are past due.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets, which are costs and anticipated profits in excess of billings, 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 Corporation considers a financial asset in default when contractual payments are between 0-60 days past due, depending on the various economic and asset-specific factors, or if it becomes probable that a customer will enter bankruptcy. A financial or contract asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

DEFERRED FINANCING FEES

Deferred financing fees are capitalized and amortized over the expected 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.

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 on-going 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 net earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

CASH FLOW HEDGE

The effective portion of the change in the fair value of the 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 net earnings.

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

Gains and losses accumulated in equity are transferred to net earnings if a foreign operation is disposed of, partially or in its 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 IN SECURITIES

Investments in securities are accounted for at fair value with unrealized gains or losses recognized in net earnings. Investments in securities are included in other assets.

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 net 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:

Category	Method	Rate or period
Buildings	Declining balance	1% to 4%
Leasehold improvements	Straight-line	Shorter of lease term or useful life
Furniture and equipment	Straight line or declining balance	3 to 10 years
Computer equipment	Straight-line or 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 net earnings within other operational costs.

INTANGIBLE ASSETS

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

Software, contract backlogs, customer relationships and certain trade names 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 estimate.

Intangible assets are amortized on a straight-line basis over the following periods:

Category	Period
Software	3 to 7 years
Contract backlogs	1 to 9 years
Customer relationships	2 to 14 years
Trade names	3 to 8 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 as at 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 (a 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 indicators of 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 or group of CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually as at 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 CGU's FVLCS or 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 CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset. 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, including legal fees, 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 cash-settled LTIP instruments are measured at fair value based on the Corporation's share price at the end of each reporting period and recorded in non-current liabilities (PSUs, DSUs and RSUs) over the vesting period. Stock options are valued at fair value using a black-scholes pricing model at grant date and recorded in contributed surplus over the vesting period.

INCOME TAXES

Income taxes are recognized in net 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 classified 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. The Corporation values uncertain income tax positions based on the probability of whether tax authorities with full knowledge of all relevant information will accept the company's tax treatments. 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.

PENSION SCHEMES

The Corporation maintains a number of defined contribution schemes and contributions are charged to net earnings in the period 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 net earnings. Actuarial gains and losses are fully recognized in equity through other comprehensive income as they arise. The consolidated statement of financial position reflects the schemes' surplus or deficit as 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 of WSP Global Inc. 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 period.

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 follows the treasury stock method.

3 ACCOUNTING POLICY DEVELOPMENTS

NEW ACCOUNTING STANDARDS EFFECTIVE IN 2019

IFRS 16 - LEASES

IFRS 16 - Leases, sets out the principles for the recognition, measurement and disclosure of leases. This standard supersedes *IAS 17 - Leases*, and other lease-related interpretations, eliminated the classification of leases by lessees as either operating or finance type leases and introduced a single lessee accounting model.

The Corporation adopted *IFRS 16 - Leases* on January 1, 2019, using the modified retrospective method and therefore, comparatives for the 2018 financial year have not been restated. In applying *IFRS 16 - Leases* for the first time, the Corporation used the following practical expedients permitted by the standard:

- application of the standard to contracts that were previously identified as leases applying *IAS 17* and *IFRIC 4* at the date of initial application with no reassessment of contracts that were not previously identified as containing a lease,
- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases; and
- the exclusion of initial direct costs for the measurement of the right-of-use assets at the date of initial application.

The adoption of *IFRS 16 - Leases* resulted in the recognition of right-of-use assets of $1,073.3 million, and a lease liability of $1,189.7 million, reflecting the present value of the future lease payments, in the Corporation's statement of financial position as at January 1, 2019. The weighted average incremental borrowing rate applied to lease liabilities at January 1, 2019 was 4.12%.

On the Corporation's statement of earnings, depreciation of right-of-use assets, and interest expense on lease liabilities, replaced the majority of operating lease expenses that were recognized under *IAS 17 - Leases.*

Additional disclosures required by the adoption of this new standard can be found in note 17, Right-of-use assets and lease liabilities.

IFRIC 23, UNCERTAINTY OVER INCOME TAX TREATMENTS

In June 2017, the IFRS Interpretations Committee issued *IFRIC 23, Uncertainty over Income Tax Treatments,* which clarifies how the recognition and measurement requirements of *IAS 12 - Income Taxes* are applied when there is uncertainty over income tax treatments. The Corporation adopted IFRIC 23 effective January 1, 2019 and there were no significant adjustments to its financial statements as a result.

PENSION SCHEME AMENDMENT, CURTAILMENT OR SETTLEMENT

In February 2018, the IASB issued an amendment to *IAS 19 - Employee Benefits*, which requires entities to use updated actuarial assumptions to determine current service cost and net interest for the period, after a plan amendment, curtailment, or settlement occurs. The Corporation adopted this amendment to IAS 19 effective January 1, 2019, resulting in no adjustments to its financial statements. This amendment is applicable to plan amendments, curtailments or settlements occurring after January 1, 2019.

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

DEFINITION OF A BUSINESS

In October 2018, the IASB amended *IFRS 3 - Business Combinations*. The amendments help entities determine whether an acquired set of activities should be accounted for as a business combination or an asset acquisition. The amended definition of a business requires a business acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of outputs is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions. The Corporation will apply the amendments prospectively to transactions where the acquisition date is on or after January 1, 2020.

DEFINITION OF MATERIAL

In October 2018, the IASB issued amendments to *IAS 1 - Presentation of Financial Statements* and *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The amendments are effective for the Corporation's annual reporting period beginning on January 1, 2020. The amendments to the definition of material are not expected to have a significant impact on the Corporation's consolidated financial statements.

INTEREST RATE BENCHMARK REFORM - PHASE 1

In the first phase of a two-phase project, the IASB issued amendments to *IFRS 9 - Financial Instruments*, *IAS 39 - Financial Instruments: Recognition and Measurement*, and *IFRS 7 - Financial Instruments: Disclosures*. The amendments address the uncertainty arising from the phasing out of interest-rate benchmarks such as interbank offered rates ("IBORs"). The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by IBOR reform and require certain related disclosures. The amendments are effective for the Corporation's annual reporting period beginning on January 1, 2020 and are not expected to have a significant impact on the Corporation's consolidated financial statements.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires Management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. The estimates and judgments 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.

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

REVENUE RECOGNITION

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project and anticipated future costs and revenues. The determination of revenues and contract assets involves estimates of the volume of work required to complete the project. On a monthly basis, Management reviews the actual volume of work and the estimated anticipated volume of work for each project to determine whether the amount recognized as contract assets is a true reflection of the amount that will be earned on the projects. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that can be earned, adjustments are made to the contract asset. Changes in the estimate of work required to complete the projects could lead to reversals of revenues.

IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets and goodwill, excluding software, represented $3,850.9 million of total assets on the consolidated statement of financial position as at December 31, 2019 ($3,794.6 million as at December 31, 2018). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. Management uses significant estimates and assumptions in measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives. Significant estimates include expected cash flows, 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 mostly amortized with determined finite lives. Management uses judgment to identify indefinite-lived intangible assets. If actual useful lives are shorter than estimated, the Corporation may be required to accelerate amortization or recognize an impairment charge.

For the purposes of assessing impairment, Management exercises judgment to identify independent cash inflows to determine CGUs. The fair value of CGUs are determined using key estimates including the applicable discount rate and the expected future cash flows. The inputs used in the discounted cash flows model are Level 3 inputs (inputs not based on observable market data). Management applies judgment to identify indicators of possible impairment or reversal of impairment at each reporting date.

LEGAL 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 uses judgment to assess the potential outcomes of claims and 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 a material 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 assumptions include discount rates, inflation rates and life expectancy. The key assumptions are assessed regularly according to market conditions and data available to Management. Additional details and sensitivity analyses are given in note 9, Pension schemes.

INCOME TAX PROVISION

The Corporation is subject to income tax laws and regulations in several jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues on the basis of amounts expected to be paid to the tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially provisioned, 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.

DEFERRED INCOME TAX ASSETS

Management exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are 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 and tax planning strategies in the numerous jurisdictions in which the Corporation operates are carefully taken into consideration. Management uses judgment to assess specific facts and circumstances to evaluate legal, economic or other uncertainties.

LEASES

The Corporation uses judgment to establish the lease term based on the conditions of the lease and whether it is reasonably certain that it will exercise any extension or termination options. When the implicit interest rate of a lease is not readily available, the Corporation is required to use its incremental borrowing rate ("IBR"), which is generally the case. The determination of the IBR requires the use of various assumptions. The Corporation uses judgment to determine if a lease modification which increases the scope of a lease should be accounted as a separate lease. Such determination requires the use of judgment to determine if the increase in lease payments is commensurate to the change in scope.

The Corporation applies estimates to assesses whether a right-of-use asset is impaired, particularly when it expects to vacate an office space, including the ability to sublease the assets or surrender the lease and recover its costs. The Corporation examines its lease conditions as well as local market conditions and estimates its recoverability potential for each vacated premise.

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

5 BUSINESS ACQUISITIONS

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

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

2019 TRANSACTIONS

In 2019, the Corporation concluded a number of individually immaterial 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	
	$
Assets	
Cash	19.6
Trade receivables and other receivables	67.7
Costs and anticipated profits in excess of billings	35.4
Prepaid expenses	6.2
Right-of-use assets (note 17)	11.8
Property and equipment and intangible assets	12.2
Deferred income tax assets	4.3
Other financial and non-financial assets	1.8

(Table continued on next page)

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

Preliminary recognized amounts of identifiable assets acquired and liabilities assumed *(continued)*	
	$
Liabilities	
Accounts payable and accrued liabilities	(66.9)
Billings in excess of costs and anticipated profits	(11.3)
Lease liabilities (note 17)	(11.8)
Long-term debt	(4.9)
Provisions	(1.3)
Deferred income tax liabilities	(5.7)
Fair value of identifiable assets and liabilities assumed	**57.1**
Fair value of non-controlling interests	**(1.0)**
Goodwill	198.7
Total purchase consideration	**254.8**
Cash acquired	(19.6)
Consideration payable	(20.5)
Net cash disbursements	**214.7**

Goodwill is attributable to the workforce of the acquired businesses and the synergies expected to arise with the Corporation after the acquisitions. $7.4 million of the goodwill recognized is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $60.9 million and gross contractual amount of $65.1 million.

2018 TRANSACTIONS

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 US, 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 had not yet completed its fair value assessment of the assets acquired, the liabilities assumed and goodwill as at December 31, 2018. As at December 31, 2019, 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 consolidated statement of financial position as at December 31, 2018 as the adjustments were deemed not material. The Corporation also determined that the net impact on the net earnings as a result of these adjustments was not material for the year ended December 31, 2018, and as such, they were accounted for in the consolidated statement of earnings for the year ended December 31, 2019.

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

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	56.6	—	56.6
Trade receivables and other receivables	198.8	13.1	211.9
Costs and anticipated profits in excess of billings	218.2	(5.6)	212.6
Prepaid expenses	11.8	1.0	12.8
Property and equipment	12.8	0.3	13.1
Computer software	0.3	13.6	13.9
Intangible assets	62.4	69.7	132.1
Deferred income tax assets	17.0	5.8	22.8
Other financial and non-financial assets	84.7	(5.7)	79.0
Current liabilities			
Accounts payable and accrued liabilities	(338.4)	(29.7)	(368.1)
Billings in excess of costs and anticipated profits	(36.7)	(28.9)	(65.6)
Long-term debt	(69.2)	(1.7)	(70.9)
Provisions	(33.6)	0.9	(32.7)
Deferred income tax liabilities	(0.3)	(45.9)	(46.2)
Fair value of identifiable assets and liabilities assumed	**184.4**	**(13.1)**	**171.3**
Goodwill	353.8	13.1	366.9
Total purchase consideration	**538.2**	**—**	**538.2**
Cash acquired	(56.6)	—	(56.6)
Cash disbursements	**481.6**	**—**	**481.6**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. $8.5 million of the goodwill recognized is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $204.9 million and gross contractual amount of $228.6 million.

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

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

Other acquisitions in 2018

In 2018, the Corporation concluded a number of other individually immaterial acquisitions. The final determination of the fair values required no adjustments to the preliminary assessments. 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 and final recognized amounts of identifiable assets acquired and liabilities assumed

	$
Current Assets	
Cash	5.5
Trade receivables and other receivables	11.7
Costs and anticipated profits in excess of billings	4.0
Prepaid expenses	0.9
Property and equipment	2.2
Computer software	0.2
Deferred income tax assets	0.7
Other financial and non-financial assets	0.5
Current Liabilities	
Accounts payable, accrued liabilities and provisions	(15.1)
Provisions	(0.3)
Billings in excess of costs and anticipated profits	(0.2)
Long-term debts	(0.6)
Fair value of identifiable assets and liabilities assumed	**9.5**
Goodwill	42.2
Total purchase consideration	**51.7**
Cash acquired	(5.5)
Consideration payable	(3.1)
Cash disbursements	**43.1**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes. The trade receivables acquired had a fair value and gross contractual amount of $11.9 million.

6 OPERATING SEGMENTS

SEGMENTED INFORMATION

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

- Americas - The operating segments of USA and Latin America are in the same geographic region of the Americas and have been aggregated as Latin America operating segment does not meet any of the quantitative thresholds to be reported separately.

- EMEIA - The operating segments of UK, Nordic countries and Central European countries have been aggregated as these segments have similar products and services, the same types of customers and operate in similar economies. The Middle East, India and Africa operating segments have also been aggregated in EMEIA as they do not meet any of the quantitative thresholds to be reported separately.

- APAC - The operating segments of Australia and New Zealand have been aggregated as these segments have similar products and services, the same types of customers and operate in similar economies. The Asia operating segment has also been aggregated in APAC as it does not meet any of the quantitative thresholds to be reported separately and it is part of the same geographic region.

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

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

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

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

The tables below present the Corporation's operations based on reportable segments, for the years ended December 31:

					2019
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	1,268.6	3,433.7	2,929.1	1,284.7	8,916.1
Less: Subconsultants and direct costs	(201.9)	(1,126.9)	(529.2)	(171.8)	(2,029.8)
Net revenues by segment	1,066.7	2,306.8	2,399.9	1,112.9	6,886.3
Adjusted EBITDA by segment	207.0	416.0	326.8	172.9	1,122.7
Impairment of property and equipment and goodwill	—	(25.3)	(3.7)	—	(29.0)
Head office corporate costs					(85.9)
Depreciation and amortization					(453.4)
Acquisition, integration and restructuring costs					(54.2)
Net financing expenses, excluding interest income					(106.7)
Share of depreciation and taxes of associates					(7.7)
Earnings before income tax					385.8

					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 by segment	1,053.6	1,758.2	2,192.1	1,016.7	6,020.6
Adjusted EBITDA by segment	147.1	257.3	225.4	117.5	747.3
Head office corporate costs					(87.3)
Depreciation and amortization					(194.4)
Acquisition, integration and restructuring costs					(62.3)
Net financing expenses, excluding interest income					(72.6)
Share of depreciation and taxes of associates					(1.4)
Earnings before income tax					329.3

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

GEOGRAPHIC INFORMATION

The Corporation's revenues are allocated to geographic regions based on the country of operations, as follows, for the years ended December 31:

	2019	2018
	$	$
US	3,246.5	2,571.6
Canada	1,268.6	1,263.4
UK	1,259.1	1,244.7
Sweden	698.3	711.3
Australia	621.9	560.3
Asia	367.6	356.0
New Zealand	295.1	292.0
Other	1,159.0	908.8
	8,916.1	7,908.1

Right-of-use assets, property and equipment, goodwill and intangible assets are allocated in the following countries, as at December 31:

	2019	2018
	$	$
US	2,122.0	1,723.6
Canada	1,291.3	1,009.8
UK	577.3	362.1
Sweden	335.7	274.9
New Zealand	271.8	245.7
Australia	190.1	120.1
Other	397.1	475.3
	5,185.3	4,211.5

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

7 REVENUES

The tables below present the Corporation's disaggregated revenues by market sector and client category, for the years ended December 31:

					2019
	Canada	Americas	EMEIA	APAC	Total
					$
Market sector					
Transportation & Infrastructure	534.3	2,170.3	1,435.2	653.6	4,793.4
Property & Buildings	290.2	405.6	912.6	421.1	2,029.5
Environment	252.6	352.1	272.4	112.2	989.3
Resources	102.3	382.6	17.1	53.5	555.5
Power & Energy	45.7	109.2	192.7	38.2	385.8
Industry	43.5	13.9	99.1	6.1	162.6
	1,268.6	3,433.7	2,929.1	1,284.7	8,916.1
Client Category					
Public sector	515.4	2,179.3	1,718.3	546.8	4,959.8
Private sector	753.2	1,254.4	1,210.8	737.9	3,956.3
	1,268.6	3,433.7	2,929.1	1,284.7	8,916.1

					2018
	Canada	Americas	EMEIA	APAC	Total
					$
Market sector					
Transportation & Infrastructure	528.9	1,703.0	1,228.2	666.6	4,126.7
Property & Buildings	285.0	283.6	925.6	382.9	1,877.1
Environment	253.6	304.4	209.6	67.4	835.0
Resources	103.4	272.5	5.0	48.5	429.4
Power & Energy	37.5	85.8	178.3	34.4	336.0
Industry	40.3	16.4	87.3	4.2	148.2
Other Services	14.7	86.9	49.8	4.3	155.7
	1,263.4	2,752.6	2,683.8	1,208.3	7,908.1
Client Category					
Public sector	511.5	1,839.6	1,404.1	665.5	4,420.7
Private sector	751.9	913.0	1,279.7	542.8	3,487.4
	1,263.4	2,752.6	2,683.8	1,208.3	7,908.1

In 2019, 73% of the revenues were generated from cost-plus contracts with ceilings and fixed price contracts and 27% from cost-plus contracts without stated ceilings (76% and 24%, respectively, in 2018).

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

8 LONG-TERM INCENTIVE PLANS ("LTIPs")

The Corporation maintains a long-term incentive plan for certain employees under which equity-settled restricted share units ("Old RSUs") or stock options can be issued. The total number of shares reserved and available for grant and issuance pursuant to the this plan is limited to 2,080,950 shares. The last grant of Old RSUs took place on March 28, 2013 and there are currently no Old RSUs outstanding.

The Corporations also maintains long-term incentive plans for certain employees under which cash-settled performance share units (“PSUs”), cash-settled deferred share units ("DSUs") and cash-settled restricted share units ("RSUs") can be issued.

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 grant date. Options vest, at latest, three years after the grant date. Any unexercised options expire at the earlier of one month after the date a beneficiary ceases to be an employee or the expiration date of the stock option.

During 2019, 330,312 options were exercised at prices ranging from $35.45 to $43.17.

As at December 31, 2019, 554,602 stock options were outstanding (693,583 as at December 31, 2018) of which 305,447 stock options were vested (594,079 in as at December 31, 2018), at exercise prices ranging from $35.12 to $70.71 ($35.12 to $59.75 as at December 31, 2018).

The fair value of stock options at 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. For options granted during the years ended December 31, 2019 and 2018, the following table illustrates the inputs used in the measurement of the grant date fair values of the stock options:

	2019	2018
Expected stock price volatility	20%-23%	20%-35%
Dividend	2.00%-2.60%	2.00%-3.00%
Risk-free interest rate	1.55%-2.50%	2.25%-2.50%
Fair value – weighted average of options issued	$14.59	$14.50-$15.50

During the year ended December 31, 2019, the Corporation recorded stock-based compensation expense of $2.2 million ($1.0 million in 2018) in Personnel costs.

PSUs, RSUs and DSUs

The PSUs are settled in cash and vest after three years if the Corporation meets certain performance targets. The RSUs are settled in cash and vest after three years. The DSUs are settled in cash and vest immediately when granted but their settlement is deferred until employment with the Corporation is terminated for any reason other than for cause.

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

The compensation expense and corresponding liability for these awards is measured using the market value of the Corporation's share price, the Corporation's expected performance vis-a-vis targets, and other factors, as applicable, and is recorded as an expense over the vesting period for PSUs and RSUs and as granted for DSUs.

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 changes in the number of units based on the expected Corporation's performance and other factors, as applicable, are recorded as an expense or recovery.

The Corporation recorded an expense of $40.1 million during 2019 ($28.9 million in 2018) related to the PSUs, RSUs and DSUs in personnel costs. As at December 31, 2019, there were 961,573 PSUs, RSUs and DSUs outstanding and the cumulative obligation liability stood at $60.3 million (882,071 and $41.2 million, respectively, as at December 31, 2018). The intrinsic value of the liability for all share unit plans for which the participants' right to cash had vested as at December 31, 2019 was $45.4 million ($19.6 million as at December 31, 2018).

In 2019, 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. In 2019, the mark-to-market gain recorded in personnel costs amounted to $5.8 million (loss of $1.8 million in 2018). As at December 31, 2019, the Corporation had hedges outstanding for 150,000 of its common shares.

9 PENSIONS SCHEMES

Pension costs included in personnel costs consist of the following for the years ended December 31:

	2019	2018
	$	$
Current service cost of defined benefit pension schemes	8.5	8.3
Employer contributions to defined benefit pension schemes	12.6	12.2
Employer contributions to defined contribution pension schemes	128.6	115.0
	149.7	135.5

The Corporation operates both defined contribution and defined benefit pension schemes. Defined contributions are charged to net earnings as incurred.

In the UK, there are six 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, calculated a provision of $6.0 million for this matter. The judgment was treated as a plan amendment resulting in an increase in retirement benefit obligations and a corresponding past service cost recognized in acquisition, integration and restructuring costs in 2018.

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

In Sweden, a portion of a multi-employer government-run defined benefit plan is recognized on the Corporation's consolidated statement of financial position as a defined benefit plan. Accrual of service costs under this arrangement ceased in 2008 when the Corporation began insuring new accruals with an insurance company. This portion of the plan accounted for as a defined benefit plan relates to the historical accruals prior to 2008, which are unfunded.

The benefits within the government-run plan in Sweden which are insured with the insurance company are considered a multi-employer plan. Since the insurance company is not able to specify the portion of their insurance assets which are set aside to meet each and every individual employers' share of pension obligation, it is treated as a defined contribution scheme in the Corporation's consolidated financial statements.

In the US, the Corporation maintains a deferred compensation plan under which a portion of employees' compensation is deferred and invested in financial assets held in a trust (included in financial assets as disclosed in note 21, Other assets). The financial assets held in a trust 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 other comprehensive income. These gains and losses reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

The actuarial costs 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.

The main assumptions used to calculate the liabilities related to defined benefit obligations and their related current service cost were as follows as at and for the years ended December 31:

	2019	2018
UK		
Rate of increase in pension payments	1.95% to 3.45%	2.10% to 3.05%
Discount rate	2.05%	2.90% to 2.95%
Inflation assumption	2.30% to 2.80%	2.25% to 3.25%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.6	87.9
– Women	89.4	89.7
Sweden		
Discount rate	1.60%	2.50%
Inflation assumption	1.80%	2.00%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.0	87.0
– Women	89.0	89.0
US		
Discount rate	2.15% to 2.55%	3.40% to 3.75%

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

The fair values by major categories of plan assets pertaining to the UK defined benefits pension schemes were as follows, as at December 31:

		2019		2018
	$	%	$	%
Equities	65.0	29	55.7	27
Bonds	42.2	19	80.8	39
Liability-driven investments	46.0	20	—	—
Other	71.4	32	68.7	34

Amounts recognized in the statements of financial position are as follows, as at December 31:

	2019	2018
	$	$
Fair value of plan assets (UK)	224.6	205.2
Present value of funded obligations (UK)	(253.9)	(233.4)
Deficit (UK)	(29.3)	(28.2)
Present value of unfunded obligations (Sweden)	(52.8)	(50.2)
Present value of unfunded obligations (US)	(131.3)	(119.3)
Pension liability	(213.4)	(197.7)

Amounts recognized in the consolidated net earnings were as follows, for the years ended December 31:

	2019	2018
	$	$
Current service cost	8.5	8.3
Past service cost	—	6.0
Total service costs	8.5	14.3
Interest expense	10.5	9.8
Expected return on plan assets	(5.8)	(5.3)
Net financing expense on pension liabilities	4.7	4.5

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

Changes in the present value of the defined benefit obligation are as follows for the years ended December 31:

	2019	2018
	$	$
Present value of obligation – beginning balance	402.9	410.9
Current service cost	8.5	8.3
Past service cost	—	6.0
Contributions from scheme members	0.2	0.2
Benefits paid	(23.6)	(28.5)
Interest expenses	10.5	9.8
Actuarial (gains) losses - changes in assumptions	54.0	(13.0)
Actuarial gains - changes in experience adjustments	(0.7)	(6.8)
Exchange differences	(13.8)	16.0
Present value of obligation – ending balance	438.0	402.9

Changes in the fair value of plan assets are as follows, as at December 31:

	2019	2018
	$	$
Fair value of plan assets – beginning balance	205.2	204.2
Expected return on plan assets	5.8	5.3
Contributions from scheme members	0.2	0.2
Contributions from employer	12.6	12.2
Benefits paid	(11.3)	(14.6)
Actuarial gain/(loss) (experience)	14.2	(7.3)
Exchange differences	(2.1)	5.2
Fair value of plan assets – ending balance	224.6	205.2

Net retirement obligations deficit summary, as at December 31:

	2019	2018
	$	$
Fair value of scheme assets	224.6	205.2
Present value of scheme liabilities	(438.0)	(402.9)
Deficit	(213.4)	(197.7)

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 as at December 31, 2019 to changes in principal assumptions is shown below:

Assumption	Change in basis points / years	Increase in pension deficit
		$
Discount rate	- 10 bps	6.0
Inflation rate[(1)]	+ 10 bps	2.8
Mortality[(1)]	+ 1 year	12.7

(1) Impact on pension deficit of defined benefit plans in UK and Sweden only.

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

The combined employee and employer contributions to be paid in the year ending December 31, 2020, pertaining to the Corporation's defined benefit pension schemes in the UK, are expected to be approximately $13 million.

10 ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS

For the year ended December 31	2019	2018
	$	$
Business acquisition costs	11.0	7.3
Business integration costs	35.1	35.0
IT outsourcing program costs	—	14.0
UK-based defined pension plan past services cost (note 17)	—	6.0
Restructuring costs	8.1	—
	54.2	62.3

Included in acquisition, integration and restructuring costs are employee benefit costs of $18.4 million for the year ended December 31, 2019 ($19.9 million in 2018). Other costs relate mainly to legal and professional fees and early contract termination costs. In 2018, IT outsourcing program costs also included transition costs resulting from the outsourcing of the Corporation's IT infrastructure and operations support.

11 NET FINANCING EXPENSE

For the year ended December 31	2019	2018
	$	$
Interest expense related to credit facility	66.2	45.8
Interest expense on lease liabilities	47.0	—
Net financing expense on pension obligations	4.7	4.5
Exchange loss (gain) on assets and liabilities in foreign currencies	(4.1)	7.6
Other interest and bank charges	14.0	10.4
(Gain) loss on investments in securities	(21.1)	4.3
Interest income	(4.7)	(3.8)
	102.0	68.8

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

12 INCOME TAXES

The components of the income tax expense for the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
	$	$
Current income tax expense		
Current income tax expense on earnings for the year	145.8	101.1
Adjustments in respect of prior years	(2.1)	(11.5)
	143.7	89.6
Deferred income tax recovery		
Origination and reversal of temporary differences	(41.2)	(18.3)
Impact of changes in substantively enacted income tax rates	(1.1)	(1.6)
Adjustments in respect of prior years	(1.3)	10.8
	(43.6)	(9.1)
Income tax expense	100.1	80.5

The reconciliation of the difference between the income tax expense using the combined Canadian federal and provincial statutory income tax rate of 26.6% in 2019 (26.7% in 2018) and the actual effective income tax rate is as follows for the years ended December 31:

	2019		2018	
	$	%	$	%
Earnings before income taxes	385.8		329.3	
Income tax expense at the combined Canadian federal and provincial statutory income tax rate	102.6	26.6 %	87.9	26.7 %
Changes resulting from:				
Foreign income tax rate differences	(23.7)	(6.1)%	(19.4)	(5.9)%
Non-deductible expenses, net of non-taxable income	12.8	3.3 %	8.8	2.7 %
Net unrecognized income tax benefits	12.3	3.2 %	4.5	1.4 %
Adjustments in respect of prior years	(3.4)	(0.9)%	(0.7)	(0.2)%
Effect of change in income tax rates	(1.1)	(0.3)%	(1.5)	(0.5)%
Other items	0.6	0.1 %	0.9	0.2 %
	100.1	25.9 %	80.5	24.4 %

In 2019 and 2018, net unrecognized income tax benefits represented the impact of unrecognized current and prior years income 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.

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

The significant components of deferred income tax assets and liabilities were as follows, as at December 31:

						2019
	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	134.7	8.2	—	9.9	(5.6)	147.2
Tax loss carry forwards	25.0	(3.2)	—	1.5	(1.1)	22.2
Pension Plan	42.6	(5.6)	8.5	—	(1.8)	43.7
Deferred issuance-related costs	1.1	(0.7)	—	—	(0.1)	0.3
Property and equipment	13.3	2.7	—	—	(0.1)	15.9
Leases	—	14.1	—	—	(0.2)	13.9
Other temporary differences	40.8	8.9	—	(12.0)	(2.1)	35.6
	257.5	24.4	8.5	(0.6)	(11.0)	278.8
Deferred income tax liabilities						
Costs and anticipated profits in excess of billings	(84.4)	(9.1)	—	(8.4)	6.7	(95.2)
Holdbacks	(5.0)	(2.1)	—	—	—	(7.1)
Property and equipment	(16.6)	3.8	—	2.0	0.6	(10.2)
Intangible assets and goodwill	(71.0)	17.6	—	(19.7)	3.3	(69.8)
Other temporary differences	(38.7)	9.0	1.6	(14.8)	1.0	(41.9)
	(215.7)	19.2	1.6	(40.9)	11.6	(224.2)
	41.8	**43.6**	**10.1**	**(41.5)**	**0.6**	**54.6**

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

						2018
	As at January 1	**Credited (charged) to statement of earnings**	**Credited (charged) to other comprehen-sive 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)
	16.9	**9.1**	**(4.3)**	**18.9**	**1.2**	**41.8**

The deferred income taxes are presented as follows on the consolidated statements of financial position, as at December 31:

	2019	**2018**
	$	**$**
Deferred income tax assets	145.8	116.1
Deferred income tax liabilities	(91.2)	(74.3)
	54.6	41.8

As at December 31, 2019, the Corporation had recognized deferred income tax assets of $22.2 million ($25.0 million as at December 31, 2018) related to 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, 2019, the Corporation had $130.5 million ($102.4 million as at December 31, 2018) of unrecognized deferred income tax assets. Of these, $269.9 million relate to tax loss carry forwards, of which $42.0 million expire between 2020 and 2039 and the remainder of which having no expiry ($341.1 million and $246.9 million, respectively, as at December 31, 2018), $90.9 million relate to gross temporary differences with no expiry ($116.2 million as at

December 31, 2018) and $23.6 million relate to tax credits that expire between 2028 and 2029 (nil as at December 31, 2018). The Corporation considers the recovery of those unrecognized deferred income tax assets as not probable.

As at December 31, 2019, a deferred income tax liability relating to $511.0 million of taxable temporary differences 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 ($385.0 million as at December 31, 2018). Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to corporate or withholding income taxes.

13 FINANCIAL INSTRUMENTS

FAIR VALUE

Cash, trade and other receivables, 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, 2019 and 2018, 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, 2019 and 2018.

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 receivables, other receivables, investments in securities and amounts due from joint ventures and associates. Costs and anticipated profits in excess of billings are also evaluated for credit risk using the same model. The Corporation's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments and contract assets, which is $3,019.1 million as at December 31, 2019 ($3,129.4 million as at December 31, 2018).

The Corporation's cash is held with investment-grade 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 losses, estimated by 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 losses 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 year ended December 31, 2019 credit losses amounted to $20.1 million ($24.6 million in 2018).

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, pounds Sterling, Swedish krona, Australian dollars, euros, New Zealand dollars, and other currencies as well as from 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 2019, the Corporation entered into cross currency swaps for a nominal amount of $241.7 million US dollars to hedge a portion of its US-dollar denominated debt at a USD/CAD rate of 1.3198, and a nominal amount of $48.0 million US dollars at a USD/SEK rate of 9.8750. The fair market value loss amounted to $7.6 million and was recorded in net earnings. All cross currency swap agreements expire in the first quarter of 2020.

The Corporation entered into foreign currency forward contracts and options strategies mainly to hedge the variability in the 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 $1.2 million Canadian dollars and was recorded in net earnings.

The Corporation also entered into interest rate swaps for a nominal amount of $250.0 million US dollars to hedge the variability in interest rates of its US-dollar denominated debt. The fair market value loss of these interest rate swap agreements amounted to $0.4 million and was recorded in net earnings.

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

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 in exchange rates could be reasonably possible. The table below summarizes the impacts on net earnings and other comprehensive income of a 10% weakening or strengthening in exchange rates against the Canadian dollar, for the years ended December 31:

				2019
	US dollar	Pound sterling	Swedish krona	Australian dollar
	$	$	$	$
Net earnings	11.4	6.6	3.7	3.4
Other comprehensive income	144.0	124.1	21.7	16.1

				2018
	US Dollar	Pound sterling	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

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 change in interest rates would not have a material impact on the Corporation's 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, as described in note 24, Long-term debt.

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

The tables below presents the contractual maturities of financial liabilities as at December 31, 2019 and 2018. The amounts disclosed are contractual undiscounted cash flows.

2019	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities	1,650.7	1,650.7	1,650.7	—	—
Dividends payable to shareholders	39.7	39.7	39.7	—	—
Lease liabilities	1,050.6	1,221.6	276.2	280.2	665.2
Long-term debt	1,399.7	1,516.4	310.3	292.1	914.0
	4,140.7	4,428.4	2,276.9	572.3	1,579.2

2018	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities	1,693.7	1,693.7	1,693.7	—	—
Dividends payable to shareholders	39.2	39.2	39.2	—	—
Long-term debt	1,524.7	1,749.3	59.1	304.2	1,386.0
	3,257.6	3,482.2	1,792.0	304.2	1,386.0

As at December 31, 2019, the Corporation had amounts available under the credit facility of $910.1 million ($918.0 million in 2018), net of outstanding letters of credit of $72.7 million ($77.6 million in 2018). The Corporation's cash net of bank overdraft as at December 31, 2019 was $237.3 million ($253.9 million in 2018).

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

14 TRADE AND OTHER RECEIVABLES

As at December 31	2019	2018
	$	$
Trade receivables	1,703.0	1,656.8
Allowance for expected credit losses	(155.1)	(101.6)
Net trade receivables	1,547.9	1,555.2
Other receivables	216.5	188.3
Amounts due from joint ventures and associates	3.4	15.1
	1,767.8	1,758.6

In applying the simplified approach to measuring expected credit losses, the Corporation does not track changes in credit risk and therefore does not assign credit risk rating grades to trade receivables. The Corporation does track the aging of gross trade receivables past due, which was as follows:

As at December 31	2019	2018
	$	$
Current	559.5	581.5
Past due 0-30 days	422.3	507.4
Past due 31-60 days	268.3	195.0
Past due 61-90 days	77.7	85.5
Past due 91-180 days	124.0	115.3
Past due over 180 days	251.2	172.1
	1,703.0	1,656.8
Allowance for expected credit loss	(155.1)	(101.6)
Balance – End of year	1,547.9	1,555.2

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% of revenues. During the year ended December 31, 2019 credit losses amounted to $20.1 million ($24.6 million in 2018).

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

15 CONTRACT BALANCES

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:

	2019		2018	
	Costs and anticipated profits in excess of billings	**Billings in excess of costs and anticipated profits**	**Costs and anticipated profits in excess of billings**	**Billings in excess of costs and anticipated profits**
	$	**$**	**$**	**$**
Balance - As at January 1	1,116.1	(678.3)	905.0	(483.8)
Increases due to cash received or amounts invoiced prior to rendering of services	—	(2,509.4)	—	(2,527.9)
Transfers to revenues once related services have been deemed rendered	—	2,569.7	—	2,396.2
Additions to contract assets through revenues recognition	6,346.4	—	5,511.9	—
Transfers from costs and anticipated profits in excess of billings to trade receivables	(6,449.7)	—	(5,568.2)	—
Additions through business acquisitions	29.8	(40.2)	221.1	(31.5)
Effect of exchange rate changes	(46.9)	29.2	46.3	(31.3)
Balance - As at December 31	995.7	(629.0)	1,116.1	(678.3)

In the year ended December 31, 2019, revenue recognized that was included in contract liability as at January 1, 2019 amounted to $669.4 million. In the year ended December 31, 2019, revenue recognized from performance obligations satisfied or partially satisfied in previous years amounted to $74.5 million.

Unfulfilled performance obligations, representing the Corporation's remaining contractual obligations related to signed cost-plus contracts with ceilings and fixed price contracts on which work has commenced, amounted to $7,898.7 million as of December 31, 2019 ($6,342.4 million as at December 31, 2018). Cost-plus contracts without stated ceilings have been excluded as the full amount of the contracted work cannot be definitively assessed.

Timing of contract execution is subject to many factors outside of the Corporation's control. Project scope changes, client-driven time lines and customers' project financing are just a few examples of such factors. The Corporation estimates that approximately 55% of the unfulfilled performance obligations as at December 31, 2019 will unwinding over the following 12 months.

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

16 OTHER FINANCIAL ASSETS

As at December 31	2019	2018
	$	$
Investments in securities	110.4	95.6
Other	4.1	5.0
	114.5	100.6

Investments in securities include 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 9, Pension schemes. The fair value of these investments is $108.2 million ($95.1 million in 2018), determined by the market price of the funds at the reporting date, which are Level 1 inputs (unadjusted quoted prices in active markets for identical assets).

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	Right-of-use assets		
	Real estate	Equipment	Total
	$	$	$
Adoption of IFRS 16 - January 1, 2019	1,040.2	33.1	1,073.3
Additions through business acquisitions	11.8	—	11.8
Additions	40.8	23.2	64.0
Depreciation expense	(232.5)	(9.2)	(241.7)
Utilization of lease inducement allowances	26.4	—	26.4
Exchange differences	(19.9)	(0.5)	(20.4)
Balance as at December 31, 2019	866.8	46.6	913.4

	Lease liabilities		
	Real estate	Equipment	Total
	$	$	$
Adoption of IFRS 16 - January 1, 2019	1,156.6	33.1	1,189.7
Additions through business acquisitions	11.8	—	11.8
Additions	66.1	23.2	89.3
Interest expense on lease liabilities (note 11)	45.4	1.6	47.0
Payments	(246.0)	(14.7)	(260.7)
Exchange differences	(26.0)	(0.5)	(26.5)
Balance as at December 31, 2019	1,007.9	42.7	1,050.6
Current portion of lease liabilities	201.1	10.6	211.7
Non-current portion of lease liabilities	806.8	32.1	838.9

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

18 PROPERTY AND EQUIPMENT

	Freehold land and buildings	Leasehold improvements	Furniture and equipment	Computer equipment	Total
	$	$	$	$	$
Balance as at January 1, 2018					
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 5)	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
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	252.6	246.8	773.9
Accumulated depreciation	(5.3)	(112.8)	(147.1)	(158.1)	(423.3)
Net value	23.2	133.2	105.5	88.7	350.6
Additions	0.1	53.5	31.3	51.0	135.9
Additions through business acquisitions (note 5)	3.7	1.1	3.1	2.6	10.5
Disposals	(0.7)	(5.0)	(2.5)	—	(8.2)
Depreciation	(1.0)	(27.9)	(29.7)	(42.4)	(101.0)
Impairment	—	(23.7)	(1.6)	—	(25.3)
Exchange differences	(0.1)	(6.1)	(5.5)	(3.1)	(14.8)
Balance as at December 31, 2019	25.2	125.1	100.6	96.8	347.7
Balance as at December 31, 2019					
Cost	31.6	247.1	279.6	247.4	805.7
Accumulated depreciation	(6.4)	(122.0)	(179.0)	(150.6)	(458.0)
Net value	25.2	125.1	100.6	96.8	347.7

In the fourth quarter of 2019, the Corporation wrote-off leasehold improvements and furniture and equipment of $25.3 million related to the early termination of a lease in the US.

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

19 INTANGIBLE ASSETS

	Software	Contract backlogs	Customer relation-ships	Non-competition agreements	Trade names	Total
	$	$	$	$	$	$
Balance as at January 1, 2018						
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 5)	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
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
Additions	26.6	—	—	—	—	26.6
Additions through business acquisitions (note 5)	14.2	38.1	33.0	—	—	85.3
Disposals	1.9	—	—	—	—	1.9
Amortization for the year	(32.7)	(36.8)	(35.8)	—	(5.4)	(110.7)
Exchange differences	(3.0)	(3.2)	(8.2)	—	(1.0)	(15.4)
Balance as at December 31, 2019	73.3	64.9	163.0	—	54.2	355.4
Balance as at December 31, 2019						
Cost	187.7	225.7	327.5	—	79.9	820.8
Accumulated amortization	(114.4)	(160.8)	(164.5)	—	(25.7)	(465.4)
Net value	73.3	64.9	163.0	—	54.2	355.4

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the WSP trade name, is $49.0 million as at December 31, 2019 ($49.6 in December 31, 2018).

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

The Corporation performed its annual impairment test for the WSP trade name as at September 29, 2019 and September 30, 2018 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 $111.9 million ($100.7 million in December 31, 2018), all of which are subject to amortization.

20 GOODWILL

	2019	2018
	$	$
Balance – As at January 1	3,493.2	2,979.0
Goodwill resulting from business acquisitions	198.7	392.2
Measurement period adjustments	13.1	13.0
Impairment charges	(3.7)	—
Exchange differences	(132.5)	109.0
Balance – As at December 31	3,568.8	3,493.2

Goodwill is allocated to the Corporation’s CGUs. The carrying value of goodwill by CGU is identified in the table below:

As at December 31	2019	2018
Goodwill allocated to CGUs	$	$
USA	1,443.3	1,440.5
Canada	891.2	891.2
Nordics	346.1	333.5
UK	322.9	320.5
New Zealand	188.5	197.3
Australia	102.7	99.8
Asia	70.7	74.4
Latin America	63.5	68.8
Central Europe	88.4	51.2
Middle East	51.5	12.2
South Africa	—	3.8
	3,568.8	3,493.2

IMPAIRMENT TEST OF LONG-LIVED ASSETS

The Corporation performed its annual impairment test for goodwill and other indefinite-lived intangible assets as at September 29, 2019 and September 30, 2018 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 2019 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. In 2019, the fair value of each CGU, except one, exceeded its carrying value. As a result, goodwill impairment of $3.7 million was recorded in 2019 related to the South Africa CGU (no impairment recorded in 2018).

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

VALUATION TECHNIQUE

FAIR VALUE LESS COSTS TO SELL ("FVLCS")

The recoverable amount of each CGU has been determined based on the FVLCS. Fair value measurement is a market-based measurement rather than an entity-specific measurement. The fair value of a 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. The inputs used in the discounted cash flows model are Level 3 inputs (inputs not based on observable market data). In addition, the market approach was employed in assessing the reasonableness of the conclusions reached.

INCOME APPROACH

Management has determined that the discounted cash flow (“DCF”) technique provides the best assessment of what each CGU could be exchanged for in an arm’s length transaction. 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 technique 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

The discount rates and terminal growth rates applied to CGUs in 2019 were the following:

	Discount rate	Terminal growth rate
USA	7.50%	2.0%
Canada	8.25%	2.0%
Nordics	8.00%	2.0%
UK	8.25%	2.0%
New Zealand	8.25%	2.0%
Australia	7.50%	2.0%
Asia	10.25%	2.0%
Latin America	10.00%	2.0%
Central Europe	10.50%	2.0%
Middle East	11.00%	2.0%
South Africa	13.25%	2.0%

CASH FLOW PROJECTIONS

The cash flow projections are based on the financial forecast approved by Management and the Board of Directors. These projections use 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 expectations of a market participant. Adjusted EBITDA is based on budgeted values in the first year of the five-year projection period ("projection period"), with increases over the projection period using an estimated revenue growth rate and anticipated EBITDA efficiency improvements. The revenue growth rates applied following the first year's projections ranged from 2.0% to 5.0%. Management considered past experience, economic trends as well as industry and market trends in assessing reasonableness of financial projections used.

DISCOUNT RATE

The discount rate 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.

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.

COSTS TO SELL

The costs to sell for each CGU have been estimated at approximately 0.75% 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.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following analyses are presented in isolation from one another, i.e. all other estimates left unchanged:

A 10% decrease, evenly distributed over future periods, in the expected future net cash inflows would not have resulted in additional impairment of goodwill in 2019.

An increase of 100-basis points in the discount rates used to perform the impairment tests would not have resulted in an additional impairment of goodwill in 2019.

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

21 OTHER ASSETS

As at December 31	2019	2018
	$	$
Investments in associates	84.1	82.8
Investments in joint ventures	3.1	10.6
Other	1.2	3.0
	88.4	96.4

22 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31	2019	2018
	$	$
Trade payables	608.4	737.7
Employee benefits payable	612.5	588.3
Accrued expenses and other payables	343.7	275.7
Sale taxes payable	85.9	82.0
Amounts due to joint ventures and associates	0.2	10.0
	1,650.7	1,693.7

23 PROVISIONS

	Claims provisions	Property provisions	Other provisions	Total
	$	$	$	$
Balance as at January 1, 2019	110.5	105.3	31.1	246.9
Transfers to right-of-use assets	—	(105.3)	—	(105.3)
Additions through business acquisitions	3.0	—	(2.6)	0.4
Additional provision recognized	20.4	—	7.5	27.9
Utilized or reversed	(7.5)	—	(13.3)	(20.8)
Exchange differences	(3.0)	—	(1.5)	(4.5)
Balance as at December 31, 2019	123.4	—	21.2	144.6
Current portion	59.0	—	12.8	71.8
Non-current portion	64.4	—	8.4	72.8

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

24 LONG-TERM DEBT

As at December 31	2019	2018
	$	$
Borrowings under credit facility	1,350.4	1,460.4
Bank overdraft	18.3	0.8
Other financial liabilities	26.0	21.2
Other debt	5.0	42.3
	1,399.7	1,524.7
Current portion	307.8	56.8
Non-current portion	1,091.9	1,467.9

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"). As at December 31, 2019, the maturity date of the Revolving Credit Facility was December 31, 2022. On February 4, 2020, the Corporation signed an amendment to extend the maturity date of the Revolving Credit Facility to December 31, 2023 and which introduced an annual pricing adjustment based on the achievement of targets related to sustainability.

The amount available under the credit facility is $910.1 million as at December 31, 2019.

The credit facility bears interest at Canadian prime rate, US-based rate, Bankers' acceptances rate and LIBOR plus an applicable margin of up to 2.25% that will vary depending on the type of advances. 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. 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, 2019 and December 31, 2018.

Under the credit facility and other facilities, as at December 31, 2019, the Corporation may issue irrevocable letters of credit up to $751.5 million ($678.0 million as at December 31, 2018). As at December 31, 2019, the Corporation issued irrevocable letters of credit totaling $418.1 million ($416.2 million as at December 31, 2018).

As at December 31, 2019, the Corporation had available other operating lines of credit amounting to $104.1 million ($138.7 million in 2018), of which $85.7 million ($126.5 million in 2018) were unused at year end.

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

Credit facility allocation by currency, in Canadian dollars, as at December 31:

	2019	2018
	$	$
US dollar	1,326.1	1,456.6
Pound sterling	7.1	—
Swedish krona	7.2	3.8
Canadian dollar	10.0	—
	1,350.4	1,460.4

25 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, 2018	103,160,592	2,577.4
Shares issued under the Dividend Reinvestment Plan (DRIP)	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
Shares issued under the DRIP (note 27)	1,161,114	79.9
Shares issued upon exercise of stock options	330,312	15.8
Balance as at December 31, 2019	105,932,842	2,752.2

As at December 31, 2019, no preferred shares were issued.

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

26 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 borrowings under credit facility, other debt, shareholders' equity and non-controlling interest, net of cash (net of bank overdraft).

As at December 31	2019	2018
	$	$
Borrowings under credit facility	1,350.4	1,460.4
Other debt	5.0	42.3
Equity attributable to shareholders of WSP Global Inc.	3,330.8	3,259.0
Non-controlling interests	1.1	0.7
	4,687.3	4,762.4
Less: Cash, net of bank overdraft	(237.3)	(253.9)
	4,450.0	4,508.5

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.

27 DIVIDENDS

The Corporation aims to declare and pay dividends to shareholders on a quarterly basis. On November 6, 2019, the Corporation declared a dividend of $0.375 per share, payable on or about January 15, 2020, to shareholders of record on December 31, 2019. The total amount of the dividend payable for the fourth quarter is $39.7 million, which was paid subsequent to the end of the year.

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.

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

Following the payment of dividends declared on November 7, 2018, March 13, 2019, May 14, 2019 and August 8, 2019, $79.9 million was reinvested in 1,161,114 common shares under the DRIP during the year ended December 31, 2019. Subsequent to the end of the year, on January 15, 2020, $16.8 million of the fourth quarter dividend was reinvested in 185,604 additional common shares under the DRIP.

28 STATEMENTS OF CASH FLOWS

CASH, NET OF BANK OVERDRAFT

As at December 31	2019	2018
	$	$
Cash	255.6	254.7
Less: Bank overdraft (note 24)	(18.3)	(0.8)
Cash, net of bank overdraft	237.3	253.9

Cash disbursed related to acquisition made prior to January 1, 2018 amounted to $6.2 million.

ADJUSTMENTS

For the year ended December 31	2019	2018
	$	$
Depreciation, amortization and impairment	482.4	194.4
Share of earnings of associates and joint-ventures (net of tax)	(12.3)	(0.8)
Defined benefit pension scheme expense	8.5	14.3
Cash contribution to defined benefit pension schemes	(12.6)	(12.2)
Foreign exchange and non-cash movements	1.8	14.0
Other	(32.4)	(38.6)
	435.4	171.1

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the year ended December 31	2019	2018
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(11.0)	(7.1)
Costs and anticipated profits in excess of billings	33.0	94.9
Increase (decrease) in:		
Accounts payable and accrued liabilities	9.3	26.0
Billings in excess of costs and anticipated profits	(60.4)	60.6
	(29.1)	174.4

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

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long-term debt	Lease liabilities	Dividends payable to shareholders	Total
	$	$	$	$
Balance as at December 31, 2018	1,524.7	—	39.2	1,563.9
Changes from financing cash flows	(96.6)	(213.7)	(77.6)	(387.9)
Adoption of IFRS 16 - January 1, 2019	—	1,189.7	—	1,189.7
Addition through business acquisitions	26.8	11.8	—	38.6
New leases	—	89.3	—	89.3
Foreign exchange rate adjustments	(55.2)	(26.5)	—	(81.7)
Other non-cash changes	—	—	78.1	78.1
Balance as at December 31, 2019	1,399.7	1,050.6	39.7	2,490.0

29 RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL

Key management includes the Board of Directors, the President and Chief Executive Officer and the members of the GLT. The following table shows the compensation paid or payable to key management included in personnel costs for the years ended December 31:

	2019	2018
	$	$
Short-term employee benefits	17.7	19.6
Share-based awards	13.2	10.0
	30.9	29.6

JOINT VENTURES AND ASSOCIATES

The Corporation related parties include its joint ventures and associates. Refer to note 14, Trade and other receivables, and note 22, Accounts payables and accrued liabilities, for balances receivable and payable from and to these entities.

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

30 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 and should not have a material effect on the financial position or operating results of the Corporation. The claims provision recognized as at December 31, 2019 amounted to $123.4 million ($110.5 million as at December 31, 2018). The movements in this provision are described in note 23, Provisions.

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 applicable 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.

On December 27, 2019, over 100 plaintiffs filed suit in the US District Court for Washington, DC against a number of US government contractors, including Louis Berger Group Inc. and Louis Berger International Inc. (collectively, "LB"), alleging that they had violated the Anti-Terrorism Act by making payments to private security firms with knowledge that those firms were affiliated with the Taliban. While this lawsuit is in its preliminary stage, the Corporation believes that LB has a strong defense to offer and it intends to vigorously defend the allegations.

wsp.com/annual-report

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, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. With approximately 50,000 talented people globally, we engineer projects that will help societies grow for lifetimes to come.

WSP Global Inc.
1600 René-Lévesque Blvd. West
11th floor, Montreal, Quebec
H3H 1P9