WSP GLOBAL INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

August 8, 2022

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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 August 8, 2022, is intended to assist readers in understanding WSP Global Inc. (together with its subsidiaries, the "Corporation" or "WSP") and its business environment, strategies, performance and risk factors. This MD&A should be read together with the Corporation's unaudited interim condensed consolidated financial statements and accompanying notes for the quarter and six-month period ended July 2, 2022 as well as the Corporation's MD&A and audited consolidated financial statements and accompanying notes for the year ended December 31, 2021. The Corporation's unaudited interim condensed consolidated financial statements for the quarter and six-month period ended July 2, 2022 have been prepared in compliance with IAS 34, "Interim Financial Reporting" 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 information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Corporation's results for the second quarter and six-month period ended July 2, 2022. The Corporation's second and third quarters are always comprised of 13 weeks of operations. However, the number of weeks of operations in the first and fourth quarters will vary as the Corporation has a statutory December 31 year end. The second quarter results include the period from April 3, 2022 to July 2, 2022 and the comparative second quarter results include the period from March 28, 2021 to June 26, 2021.

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 AND OTHER FINANCIAL MEASURES

The Corporation reports its financial results in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. WSP uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with IFRS. Regulation 52-112 respecting Non-IFRS and Other Financial Measures Disclosure ("Regulation 52-112") prescribes disclosure requirements that apply to the following types of measures used by the Corporation:

i. non-IFRS financial measures;
ii. non-IFRS ratios;
iii. total of segments measures;
iv. capital management measures; and
v. supplemental financial measures.

In this MD&A, the following non-IFRS and other financial measures are used by the Corporation: net revenues; total adjusted EBITDA by segment; total adjusted EBITDA margin by segment; 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 19, "Glossary of segment reporting, non-IFRS and other financial measures" and reconciliations to IFRS measures can be found in section 8, "Financial Review" and section 9, "Liquidity".

Management of the Corporation ("Management") believes that these non-IFRS and other financial 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 and other financial 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 strategic advisory, engineering and design services to clients in the Transportation & Infrastructure, Earth & Environment, Property & Buildings, Power & Energy, Resources and Industry sectors. WSP's experts include advisors, engineers, environmental specialists, scientists, technicians, architects and planners, in addition to other design and program management professionals. With approximately 57,500 talented people globally, WSP is well 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.

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, together with 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 and assets. 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, decarbonization, social equity, digital project and design.

- **Earth & Environment:** The Corporation has specialists working with and advising governments and private-sector clients on key aspects of earth sciences and environmental sustainability. WSP’s experts advise on matters ranging from clean air, water and land, to biodiversity, green energy solutions, climate change and Environmental, Social and Governance (“ESG”) issues. They provide specialized services to mining, oil and gas, power, industrial and transportation clients, all of which operate in some of the most highly-regulated industries. The Corporation delivers a broad range of advisory and operational services, including due diligence, permit approvals, regulatory compliance, waste/hazardous materials management, geotechnical and mining engineering, environmental/social impact assessments, feasibility and land remediation studies. 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, resource extraction and the environment. The Corporation is able to support its clients through the entire project life-cycle, from design, permitting, planning and operations, to decommissioning and asset remediation.

- **Property & Buildings:** The Corporation is a world-leading provider of technical and advisory services with a track record in delivering buildings of the highest quality. WSP 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 decarbonization strategies and digital building design to structural and mechanical, electrical, and plumbing ("MEP") engineering. The Corporation is an 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.

- **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 listed 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, per share data, DSO and ratios)	Second quarters ended		Six-month periods ended	
	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Revenues	$2,764.2	$2,633.1	$5,476.0	$4,737.9
Net revenues[1]	$2,109.6	$2,028.8	$4,209.6	$3,695.6
Earnings before net financing expense and income taxes	$170.2	$189.2	$327.4	$318.2
Adjusted EBITDA[2]	$352.2	$342.6	$676.8	$583.6
Adjusted EBITDA margin[3]	16.7 %	16.9 %	16.1 %	15.8 %
Net earnings attributable to shareholders of WSP Global Inc.	$89.3	$120.0	$184.3	$207.9
Basic net earnings per share attributable to shareholders	$0.76	$1.03	$1.56	$1.80
Adjusted net earnings[2][4]	$153.5	$147.3	$289.9	$241.5
Adjusted net earnings per share[3][4]	$1.30	$1.26	$2.46	$2.09
Cash inflows from operating activities	$125.4	$147.4	$42.4	$310.8
Free cash inflow (outflow)[2]	$14.9	$52.6	$(170.4)	$137.9

As at	July 2, 2022	June 26, 2021
Backlog[5]	$11,448.8	$9,632.4
DSO[5]	73 days	70 days

As at	July 2, 2022	December 31, 2021
Net debt to adjusted EBITDA ratio[6]	0.8	0.6

(1) Total of segments measure. Refer to section 8.1, "Net revenues" for a reconciliation to revenues.

(2) Non-IFRS financial measure without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. Refer to sections 8.3, "Adjusted EBITDA", 8.8, "Adjusted net earnings", 9.1, "Operating activities and free cash flow", as well as section 19, "Glossary of segment reporting, non-IFRS and other financial measures", for quantitative reconciliations to the most directly comparable IFRS measures, as well as explanations of the composition and usefulness of these non-IFRS financial measures.

(3) Non-IFRS ratio without a standardized definition under IFRS, which may not be comparable to similar ratios used by other issuers. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted net earnings per share is the ratio of adjusted net earnings divided by the basic weighted average number of shares outstanding for the period. Refer to section 19, "Glossary of segment reporting, non-IFRS and other financial measures" for references to the non-IFRS financial measures which are components of these non-IFRS ratios, and the use of these non-IFRS ratios.

(4) Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021 nor in the first quarter of 2022. Refer to section 8.8, "Adjusted net earnings" for further explanation.

(5) Supplemental financial measure. Backlog represents future revenues stemming from existing signed contracts to be completed. 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.

(6) This capital management measure is the ratio of net debt to adjusted EBITDA for the trailing twelve-month period. Net debt is defined as long-term debt, including current portions but excluding lease liabilities, and net of cash.

5 EXECUTIVE SUMMARY

A second quarter and first half of the year, with robust organic net revenue growth, record-high level of backlog and significant increase in the number of employees, which bolster confidence as the Corporation enters the second half of 2022.

Financial highlights for the second quarter of 2022

- Revenues and net revenues for the quarter reached $2.8 billion and $2.1 billion, up 5.0% and 4.0%, respectively, compared to Q2 2021. Net revenue organic growth of 5.0% in the quarter is attributable to all reportable segments, led by the UK with double-digit growth, Canada and Australia.

- Backlog as at July 2, 2022 stood at $11.4 billion, representing 12.5 months of revenues. In the twelve-month period ended July 2, 2022, backlog grew organically by 19.1% across all reportable segments, setting the Corporation in a favourable position for continued future performance.

- Since the start of the year, the number of employees increased by approximately 2,200, with 1,700 in the second quarter alone.

- Adjusted EBITDA in the quarter of $352.2 million, up 2.8%, compared to $342.6 million in Q2 2021. Adjusted EBITDA margin for the quarter reached 16.7%, compared to 16.9% in Q2 2021. Adjusted EBITDA margin was largely stable and in-line with management expectations.

- Earnings before net financing expense and income taxes in the quarter of $170.2 million, down $19.0 million, or 10.0%, compared to Q2 2021, mainly due to office consolidations as part of our real estate strategy resulting in charges against certain leased assets, as well as ERP implementation costs which were new in 2022, and higher integration costs due to recent acquisitions.

- Adjusted net earnings for the quarter of $153.5 million, or $1.30 per share, up $6.2 million and $0.04, respectively, compared to Q2 2021. The respective increases in these metrics are mainly attributable to higher adjusted EBITDA.

- Net earnings attributable to shareholders for the quarter of $89.3 million, or $0.76 per share, compared $120.0 million and $1.03 per share in Q2 2021. The decreases are mainly attributable to non-cash losses in value of investments related to a US-employees' deferred compensation plan compared to gains in the comparable period, charges against leased assets resulting from office consolidations and ERP implementation costs.

- DSO as at July 2, 2022 stood at 73 days, compared to 70 days as at June 26, 2021, in line with our annual target range and at the low end of management's expectations when factoring in seasonality.

- Free cash outflow of $170.4 million for the six-month period. Trailing twelve-months of free cash flow amounted to $337.8 million, representing 0.8 times the net earnings attributable to shareholders. The main contributors to the outflow are the increased investment in net working capital to support organic revenue growth and the slight increase in DSO. In addition, income taxes paid was higher mainly due to changes in tax regulations in the US which delays the deductibility of certain expenses and higher taxable income in some jurisdictions in 2021 for which the related income tax was paid in 2022.

- Cash inflows from operating activities of $42.4 million in the six-month period ended July 2, 2022, compared to $310.8 million in the corresponding period in 2021.

- The net debt to adjusted EBITDA ratio stood at 0.8x, compared to 0.6x as at December 31, 2021, in line with seasonality trends in free cash flows and increase in working capital to support growth.

- Quarterly dividend declared of $0.375 per share, or $44.3 million, with a 48.8% Dividend Reinvestment Plan ("DRIP") participation.

6 KEY EVENTS

The following are highlights from April 3, 2022 to August 8, 2022, the date of the MD&A for the quarter ended July 2, 2022.

Acquisition of RPS Group plc

In August 2022, WSP announced an agreement with RPS Group plc ("RPS"), approved by the board of directors of both companies, on the terms of a cash acquisition pursuant to which the Corporation will acquire the entire issued and to be issued share capital of RPS for £2.06 per share in cash (the "RPS Acquisition"). The RPS Acquisition reflects an enterprise value of approximately £625 million (approximately $975 million).

RPS is a diversified and well-recognized global professional services firm of approximately 5,000 talented employees. As an established technology-enabled consultancy that operates across a range of sectors, RPS provides specialist services to government and private sector clients with a focus on front-end consulting.

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

WSP intends to use the net proceeds of equity financing to fund in part the purchase price payable in respect of the RPS Acquisition (and related costs and expenses) and accordingly reduce amounts to be advanced, or repay amounts advanced, under the New Credit Facility to fund the purchase price for the RPS Acquisition. The equity financing comprises:

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

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

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

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

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

Closing of the E&I Acquisition is subject to certain customary closing conditions, including (i) the approval of Wood's shareholders which was received on August 3, 2022, (ii) completion by Wood of a group reorganization to achieve separation of the E&I business, and (iii) applicable regulatory conditions.

Other acquisitions

In June 2022, WSP acquired BOD Arquitectura e Ingeniería (“BOD”), a 45-employee architecture and engineering firm based in Madrid, Spain. The addition of BOD will expand WSP’s Property & Buildings service offering, while boosting its visibility in Madrid and across Spain.

Subsequent to the end of the quarter, in August 2022, WSP acquired Australian-based Greencap Holdings Ltd. (“Greencap”), a subsidiary of Wesfarmers Industrial and Safety. Greencap's 250 professionals in Australia provide environmental, hazardous materials and risk management solutions to its clients.

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

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

Leadership announcement

In July 2022, Chadi Habib joined WSP as Global Chief Technology Officer and Head of Business Solutions. Mr. Habib is a senior technology and business transformation executive with over 25 years of international experience.

7 SEGMENT OPERATIONAL REVIEW

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). Segment performance is measured using net revenues and adjusted EBITDA by segment.

CANADA

(in millions of dollars, except percentages and number of employees)	Second quarters ended			Six-month periods ended		
	July 2, 2022	June 26, 2021	Variance	July 2, 2022	June 26, 2021	Variance
Net revenues	$378.2	$353.1	7.1 %	$744.5	$577.2	29.0 %
Organic growth			7.1 %			13.1 %
Acquisition growth			— %			15.9 %
Adjusted EBITDA by segment	$82.7	$73.7	12.2 %	$154.6	$108.2	42.9 %
Adjusted EBITDA margin by segment	21.9 %	20.9 %	100 bps	20.8 %	18.7 %	210 bps
As at	**July 2, 2022**	**June 26, 2021**	**Variance**	**July 2, 2022**	**December 31, 2021**	**Variance**
Backlog	$1,937.7	$1,594.1	21.6 %	$1,937.7	$1,817.3	6.6 %
Organic backlog growth			21.4 %			6.5 %
Approximate number of employees	10,100	9,800	3.1 %			

bps: basis points

Net revenues

In the quarter ended July 2, 2022, net revenues in Canada were $378.2 million, an increase of $25.1 million, or 7.1%, compared to the same quarter in 2021, entirely due to organic growth.

In the six-month period ended July 2, 2022, net revenues in Canada were $744.5 million, an increase of $167.3 million, or 29.0%, compared to the corresponding period in 2021. Organic growth and acquisition growth were 13.1% and 15.9%, respectively. Acquisition growth is due to the acquisition of Golder Associates ("Golder" and the "Golder Acquisition") completed in April 2021.

Net revenue organic growth in the quarter and six-month period is reflective of the strong organic growth in backlog in the last twelve months. Strong demand resulted in organic growth in the quarter in most market sectors, and in all market sectors in the six-month period. Net revenues for the six-month period also benefitted from more billable days in Q1 2022 as compared to Q1 2021, as well as the favourable impact of a change order.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 88% of net revenues for the six-month period ended July 2, 2022. Public sector clients accounted for 33% of net revenues, for the same period.

Backlog

Backlog grew organically by 6.5% and 21.4%, respectively, in the six- and twelve-month periods ended July 2, 2022, when compared to December 31, 2021 and June 26, 2021.

Adjusted EBITDA margin

For the quarter ended July 2, 2022, adjusted EBITDA margin in Canada increased 100 bps, mainly due to improved project performance. For the six-month period ended July 2, 2022, adjusted EBITDA margin in Canada increased 210 bps, mainly due to improved project performance, the higher margin profile of the Golder business, stronger productivity and the favourable impact of a change order signed in the first quarter of 2022.

AMERICAS

(in millions of dollars, except percentages and number of employees)		Second quarters ended			Six-month periods ended	
	July 2, 2022	**June 26, 2021**	**Variance**	**July 2, 2022**	**June 26, 2021**	**Variance**
Net revenues	$738.7	$686.6	7.6 %	$1,463.5	$1,239.6	18.1 %
Organic growth*			2.5 %			6.9 %
Acquisition growth*			2.0 %			9.4 %
Foreign currency exchange impact**			3.1 %			1.8 %
Adjusted EBITDA by segment	$142.4	$143.9	(1.0) %	$264.9	$233.6	13.4 %
Adjusted EBITDA margin by segment	19.3 %	21.0 %	(170) bps	18.1 %	18.8 %	(70) bps
As at	**July 2, 2022**	**June 26, 2021**	**Variance**	**July 2, 2022**	**December 31, 2021**	**Variance**
Backlog	$5,163.7	$4,086.5	26.4 %	$5,163.7	$4,536.5	13.8 %
Organic backlog growth			22.3 %			12.4 %
Approximate number of employees	16,700	15,900	5.0 %			

* 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 the Canadian equivalent amount, net of organic growth and acquisition growth.
bps: basis points

Net revenues

In the quarter ended July 2, 2022, net revenues in the Americas reportable segment were $738.7 million, an increase of $52.1 million, or 7.6%, compared to the same quarter in 2021. Organic growth and acquisition growth were 2.5% and 2.0%, respectively, both on a constant currency basis.

In the six-month period ended July 2, 2022, net revenues in the Americas reportable segment stood at $1.5 billion, an increase of $223.9 million, or 18.1%, compared to the corresponding period in 2021. Organic growth and acquisition growth were 6.9% and 9.4%, respectively, both on a constant currency basis.

In the second quarter and six-month period ended July 2, 2022, organic growth is mainly attributable to the US operations and is in-line with expectations based on phasing of backlog and headcount growth. In addition, the segment benefitted from positive impacts of foreign exchange principally due to the depreciation of the Canadian dollar against the US dollar.

Acquisition growth in the quarter and six-month period stems from the acquisitions of Knight in June 2021 and Englekirk Structural Engineers in October 2021. Additionally, in the six-month period acquisition growth includes the acquisitions of Golder in April 2021, tk1sc in January 2021 and Earthcon in February 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 95% of net revenues for the six-month period ended July 2, 2022. Public sector clients accounted for 62% of net revenues, for the same period.

Backlog

Backlog for the Americas segment increased compared to December 31, 2021 and June 26, 2021, mainly due to organic growth of 12.4% in the six-month period and 22.3% in the last twelve months. Our US operations achieved substantial order intake in the last twelve months.

Adjusted EBITDA margin

In the quarter and six-month period ended July 2, 2022, adjusted EBITDA margin for the Americas segment decreased 170 bps and 70 bps, respectively, as compared to the corresponding periods in 2021, mainly due to lower realized gains on foreign exchange hedges and a gain on sale of a building in the second quarter of 2021.

EMEIA

(in millions of dollars, except percentages and number of employees)	Second quarters ended			Six-month periods ended		
	July 2, 2022	**June 26, 2021**	**Variance**	**July 2, 2022**	**June 26, 2021**	**Variance**
Net revenues	$644.4	$649.4	(0.8) %	$1,307.8	$1,273.6	2.7 %
Organic growth*			6.1 %			5.9 %
Acquisition growth*			— %			3.0 %
Foreign currency exchange impact**			(6.9) %			(6.2) %
Adjusted EBITDA by segment	$91.5	$90.7	0.9 %	$193.8	$187.5	3.4 %
Adjusted EBITDA margin by segment	14.2 %	14.0 %	20 bps	14.8 %	14.7 %	10 bps
As at	**July 2, 2022**	**June 26, 2021**	**Variance**	**July 2, 2022**	**December 31, 2021**	**Variance**
Backlog	$2,740.5	$2,412.9	13.6 %	$2,740.5	$2,442.5	12.2 %
Organic backlog growth			19.5 %			17.0 %
Approximate number of employees	20,500	19,700	4.1 %			

* 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 the Canadian equivalent amount, net of organic growth and acquisition growth.

bps: basis points

Net revenues

In the quarter ended July 2, 2022, net revenues in the EMEIA reportable segment were $644.4 million, a decrease of $5.0 million, or 0.8%, compared to Q2 2021. Organic growth of 6.1%, on a constant currency basis, was offset by negative impacts of foreign exchange.

In the six-month period ended July 2, 2022, net revenues in the EMEIA operating segment stood at $1.3 billion, an increase of $34.2 million, or 2.7%, compared to the corresponding period in 2021. Organic growth and acquisition growth were 5.9% and 3.0%, respectively, both on a constant currency basis.

In the quarter and six-month period, organic growth was led by the continued strong performance in the UK, which saw a fifth consecutive quarter of double-digit organic growth, and good performance across all market sectors in the Middle East, partially offset by lower performance in the Nordics. The organic growth in the quarter and six-month period was offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Swedish krona, pound sterling and euro.

In the six-month period, acquisition growth stemmed mainly from the Golder Acquisition, as well as the acquisition of b+p baurealisation, both completed in April 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 90% of net revenues for the six-month period ended July 2, 2022. Public sector clients accounted for 53% of net revenues, for the same period.

Backlog

Backlog for the EMEIA reportable segment increased mainly due to organic growth of 17.0% in the six-month period compared to December 31, 2021 and 19.5% in the twelve-month period when compared to June 26, 2021. Organic growth was due to increased order intake across the segment, and was most pronounced in the Middle East and the UK.

Adjusted EBITDA margin

In the quarter and six-month period ended July 2, 2022, adjusted EBITDA margin for the EMEIA segment remained stable, as compared to the corresponding periods in 2021.

APAC

(in millions of dollars, except percentages and number of employees)	Second quarters ended			Six-month periods ended		
	July 2, 2022	**June 26, 2021**	**Variance**	**July 2, 2022**	**June 26, 2021**	**Variance**
Net revenues	$348.3	$339.7	2.5 %	$693.8	$605.2	14.6 %
Organic growth*			5.9 %			12.0 %
Acquisition growth*			— %			7.0 %
Foreign currency exchange impact**			(3.3) %			(4.4) %
Adjusted EBITDA by segment	$60.8	$59.0	3.1 %	$117.5	$98.8	18.9 %
Adjusted EBITDA margin by segment	17.5 %	17.4 %	10 bps	16.9 %	16.3 %	60 bps
As at	**July 2, 2022**	**June 26, 2021**	**Variance**	**July 2, 2022**	**December 31, 2021**	**Variance**
Backlog	$1,606.9	$1,538.9	4.4 %	$1,606.9	$1,629.3	(1.4) %
Organic backlog growth			7.3 %			0.7 %
Approximate number of employees	10,200	9,600	6.3 %			

* 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 the Canadian equivalent amount, net of organic growth and acquisition growth.
bps: basis points

Net revenues

In the quarter ended July 2, 2022, net revenues in the APAC reportable segment were $348.3 million, an increase of $8.6 million, or 2.5%, when compared to the same quarter in 2021. Organic growth of 5.9%, on a constant currency basis, was partially offset by negative impacts of foreign exchange.

In the six-month period ended July 2, 2022, net revenues in the APAC reportable segment stood at $693.8 million, an increase of $88.6 million, or 14.6%, when compared to the corresponding period in 2021. Organic growth and acquisition growth were 12.0% and 7.0%, respectively, both on a constant currency basis.

The organic growth in the quarter and six-month period was driven mainly by strong market conditions across the region, despite COVID-19 lockdowns in Asia. The organic growth in both periods was partially offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Australian dollar and the New Zealand dollar.

Acquisition growth in the six-month period is due to the Golder Acquisition completed in April 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 96% of net revenues for the six-month period ended July 2, 2022. Public sector clients accounted for 56% of net revenues, for the same period.

Backlog

Backlog for the APAC segment increased mainly due to organic growth of 7.3% compared to June 26, 2021, mainly in Australia and New Zealand.

Adjusted EBITDA margin

In the quarter and six-month period ended July 2, 2022, adjusted EBITDA margin for the APAC reportable segment increased by 10 bps and 60 bps, respectively, relative to the comparable periods in 2021. The increase in the six-month period is mainly attributable to improved productivity in Australia and New Zealand.

8 FINANCIAL REVIEW

8.1 NET REVENUES

	Second quarters of 2022 vs 2021				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues - 2022	$378.2	$738.7	$644.4	$348.3	$2,109.6
Net revenues - 2021	$353.1	$686.6	$649.4	$339.7	$2,028.8
Net change %	7.1 %	7.6 %	(0.8)%	2.5 %	4.0 %
Organic growth*	7.1 %	2.5 %	6.1 %	5.9 %	5.0 %
Acquisition growth*	— %	2.0 %	— %	— %	0.7 %
Foreign currency exchange impact**	— %	3.1 %	(6.9)%	(3.3)%	(1.7)%
Net change %	7.1 %	7.6 %	(0.8)%	2.6 %	4.0 %

* 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 the Canadian equivalent amount, net of organic growth and acquisition growth.

(in millions of dollars, except percentages and number of employees)	First six months of 2022 vs 2021 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2022	$744.5	$1,463.5	$1,307.8	$693.8	$4,209.6
Net revenues - 2021	$577.2	$1,239.6	$1,273.6	$605.2	$3,695.6
Net change %	29.0 %	18.1 %	2.7 %	14.6 %	13.9 %
Organic growth*	13.1 %	6.9 %	5.9 %	12.0 %	8.4 %
Acquisition growth*	15.9 %	9.4 %	3.0 %	7.0 %	7.9 %
Foreign currency exchange impact**	— %	1.8 %	(6.2)%	(4.4)%	(2.4)%
Net change %	29.0 %	18.1 %	2.7 %	14.6 %	13.9 %
	As at				
Approximate number of employees - July 2, 2022	10,100	16,700	20,500	10,200	57,500
Approximate number of employees - June 26, 2021	9,800	15,900	19,700	9,600	55,000
Net change %	3.1 %	5.0 %	4.1 %	6.3 %	4.5 %

* 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 the Canadian equivalent amount, net of organic growth and acquisition growth.

During the second quarter of 2022, the Corporation achieved net revenues of $2.1 billion, up 4.0% compared to the second quarter of 2021. The increase was driven by organic growth of 5.0%, across all reportable segments, led by the UK with double-digit growth, Canada and Australia. Organic growth in EMEIA and APAC segments was offset by negative impacts of foreign exchange.

In the six-month period ended July 2, 2022, net revenues increased 13.9% compared to the corresponding period in 2021. The increase was principally due to organic growth of 8.4%, across all reportable segments, and most pronounced in Canada, the US, the UK and Australia. The Golder Acquisition was the main contributor to the acquisition growth of 7.9%. Organic and acquisition growth in EMEIA and APAC segments was partially offset by negative impacts of foreign exchange.

The increase in the number of employees is mainly attributable to recruitment to support organic growth of our business across all segments. Since the start of the year, the number of employees increased by approximately 2,200, with 1,700 in the second quarter alone.

Refer to section 7, “Segment operational review” for further analysis of net revenues by segment.

Reconciliation of net revenues

The Corporation’s financial performance and results should be measured and analyzed in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the performance of the professional consulting services business.

	Second quarters ended		Six-month periods ended	
(in millions of dollars)	**July 2, 2022**	**June 26, 2021**	**July 2, 2022**	**June 26, 2021**
Revenues	**$2,764.2**	**$2,633.1**	**$5,476.0**	**$4,737.9**
Less: Subconsultants and direct costs	$654.6	$604.3	$1,266.4	$1,042.3
Net revenues(1)	**$2,109.6**	**$2,028.8**	**$4,209.6**	**$3,695.6**

(1) Total of segments measure. Refer to section 19, “Glossary of segment reporting, non-IFRS and other financial measures”.

8.2 BACKLOG

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog, as at December 31, 2021	$1,817.3	$4,536.5	$2,442.5	$1,629.3	$10,425.6
Revenues	$(978.4)	$(2,096.5)	$(1,579.4)	$(821.7)	$(5,476.0)
Organic order intake	$1,096.7	$2,657.5	$1,979.1	$832.2	$6,565.5
Foreign exchange movement	$2.1	$66.2	$(101.7)	$(32.9)	$(66.3)
Backlog, as at July 2, 2022	$1,937.7	$5,163.7	$2,740.5	$1,606.9	$11,448.8
Organic backlog growth in the six-month period	6.5 %	12.4 %	17.0 %	0.7 %	10.6 %
Backlog, as at June 26, 2021	$1,594.1	$4,086.5	$2,412.9	$1,538.9	$9,632.4
Organic backlog growth in the twelve-month period	21.4 %	22.3 %	19.5 %	7.3 %	19.1 %

As at July 2, 2022, backlog stood at $11.4 billion, representing 12.5 months of revenues[1], an increase of 9.8% as compared to December 31, 2021. Organically and on a constant currency basis, backlog grew by 10.6% compared to backlog as at December 31, 2021. Since the beginning of the year, we have continued to see positive momentum in all regions with a substantial order intake amounting to $6.6 billion, led by the US, the Middle East and the UK. The pipeline of opportunities remains strong across our key markets.

In the twelve-month period ended July 2, 2022, the Corporation achieved record-breaking organic growth in backlog of 19.1% across all reportable segments, mainly in the US, Canada, the Middle East and the UK. This remarkable backlog growth, coupled with the increases in the number of employees worldwide, sets the Corporation in a favourable position for continued future performance.

(1) Based on revenues for the trailing twelve-month period, incorporating a full twelve months of revenues for all acquisitions.

8.3 ADJUSTED EBITDA

	Second quarter ended July 2, 2022				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$378.2	$738.7	$644.4	$348.3	$2,109.6
Adjusted EBITDA by segment[1]	$82.7	$142.4	$91.5	$60.8	$377.4
Adjusted EBITDA margin by segment[1]	21.9%	19.3%	14.2%	17.5%	17.9%
Head office corporate costs					$25.2
Adjusted EBITDA[2]					$352.2

	Second quarter ended June 26, 2021				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$353.1	$686.6	$649.4	$339.7	$2,028.8
Adjusted EBITDA by segment[1]	$73.7	$143.9	$90.7	$59.0	$367.3
Adjusted EBITDA margin by segment[1]	20.9%	21.0%	14.0%	17.4%	18.1%
Head office corporate costs					$24.7
Adjusted EBITDA[2]					$342.6

(1) Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, presented in the "total" column of the table, are total of segments measures.
(2) Non-IFRS financial measure.

(in millions of dollars, except percentages)	Six months ended July 2, 2022 Canada	Americas	EMEIA	APAC	Total
Net revenues	$744.5	$1,463.5	$1,307.8	$693.8	$4,209.6
Adjusted EBITDA by segment(1)	$154.6	$264.9	$193.8	$117.5	$730.8
Adjusted EBITDA margin by segment(1)	20.8%	18.1%	14.8%	16.9%	17.4%
Head office corporate costs					$54.0
Adjusted EBITDA(2)					$676.8

(in millions of dollars, except percentages)	Six months ended June 26, 2021 Canada	Americas	EMEIA	APAC	Total
Net revenues	$577.2	$1,239.6	$1,273.6	$605.2	$3,695.6
Adjusted EBITDA by segment(1)	$108.2	$233.6	$187.5	$98.8	$628.1
Adjusted EBITDA margin by segment(1)	18.7%	18.8%	14.7%	16.3%	17.0%
Head office corporate costs					$44.5
Adjusted EBITDA(2)					$583.6

(1) Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, presented in the “total” column of the table, are total of segments measures.
(2) Non-IFRS financial measure.

Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $377.4 million and 17.9%, respectively, for the second quarter ended July 2, 2022, compared to $367.3 million and 18.1%, respectively, for the corresponding period in 2021. Adjusted EBITDA margin by segment remained stable as improved project performance project delivery in Canada was offset by lower adjusted EBITDA margin in the Americas. Adjusted EBITDA margin was largely stable and in-line with management expectations.

For the six-month period ended July 2, 2022, total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $730.8 million and 17.4%, respectively, compared to $628.1 million and 17.0%, respectively, in the corresponding period in 2021. The improvement in adjusted EBITDA margin by segment is mainly attributable to the performance of the WSP platform and the strong contribution of recent acquisitions.

The variance explanations by segment are described in section 7, “Segment operational review”.

Head office corporate costs for the second quarter and six-month period ended July 2, 2022 stood at $25.2 million and $54.0 million, respectively, higher than the comparable periods in 2021 mainly due to the long-term incentive plans.

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 reconciles this metric to the most comparable IFRS measure:

	Second quarters ended		Six-month periods ended	
(in millions of dollars)	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Earnings before net financing expense and income taxes	**$170.2**	**$189.2**	**$327.4**	**$318.2**
Acquisition, integration and reorganization costs	$22.9	$17.6	$43.7	$18.2
ERP implementation costs	$11.9	$—	$22.0	$—
Depreciation of right-of-use assets	$69.0	$69.4	$140.0	$130.7
Amortization of intangible assets	$33.2	$34.3	$66.9	$57.7
Depreciation of property and equipment	$27.0	$28.8	$55.7	$53.5
Impairment of right-of-use assets	$14.3	$—	$14.3	$—
Share of depreciation and taxes of associates	$2.6	$2.8	$5.4	$4.6
Interest income	$1.1	$0.5	$1.4	$0.7
Adjusted EBITDA*	**$352.2**	**$342.6**	**$676.8**	**$583.6**

* Non-IFRS financial measure.

8.4 EARNINGS BEFORE NET FINANCING EXPENSE AND INCOME TAXES

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

	Second quarters ended		Six-month periods ended	
(percentage of net revenues)	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	75.3 %	74.2 %	75.7 %	75.3 %
Other operational costs	8.6 %	9.7 %	8.7 %	9.5 %
Exchange gain and interest income	(0.2)%	(0.4)%	(0.1)%	(0.3)%
Share of earnings of associates and joint ventures before depreciation and income taxes	(0.4)%	(0.4)%	(0.4)%	(0.3)%
Adjusted EBITDA margin	**16.7 %**	**16.9 %**	**16.1 %**	**15.8 %**
Depreciation of right-of-use assets	3.2 %	3.4 %	3.3 %	3.5 %
Depreciation of property and equipment	1.3 %	1.5 %	1.3 %	1.5 %
Amortization of intangible assets	1.6 %	1.7 %	1.6 %	1.6 %
Impairment of right-of-use assets	0.7 %	— %	0.3 %	— %
Acquisition, integration and reorganization costs and ERP implementation costs	1.6 %	0.9 %	1.6 %	0.5 %
Share of depreciation and taxes of associates	0.1 %	0.1 %	0.1 %	0.1 %
Earnings before net financing expense and income taxes	**8.1 %**	**9.3 %**	**7.8 %**	**8.6 %**
Net financing expense	2.1 %	1.2 %	1.7 %	0.9 %
Income tax expense	1.8 %	2.2 %	1.7 %	2.1 %
Net earnings	**4.2 %**	**5.9 %**	**4.4 %**	**5.6 %**

In the second quarter of 2022, adjusted EBITDA margin was down slightly at 16.7%, compared to 16.9% in the second quarter of 2021. For the six-month period, the adjusted EBITDA margin increased to 16.1%, compared to 15.8% in the corresponding period in 2021. In both periods, the increases in personnel costs were offset by decreases in other operational costs.

In the second quarter ended July 2, 2022, earnings before net financing expense and income taxes decreased as a percentage of net revenues, mainly due to office consolidations as part of our real estate strategy resulting in charges against certain leased assets, as well as ERP implementation costs which were new in 2022, and higher integration costs due to recent acquisitions. In the six-month period ended July 2, 2022, earnings before net financing expense and income taxes decreased as higher adjusted EBITDA was offset by higher integration costs due to recent acquisitions and ERP implementation costs.

These variances are explained in further detail below.

Personnel 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.

For the quarter and six-month period ended July 2, 2022, recruitment and training activities and inflationary pressures resulted in an increase in personnel costs as a percentage of net revenues, as compared to the corresponding periods in 2021.

During the quarter and six-month period ended July 2, 2022, the Corporation recorded $3.5 million and $4.5 million of government subsidies, recognized in personnel costs ($2.8 million and $10.9 million during the comparable periods in 2021).

Other operational costs

Other operational costs include fixed costs such as, but not limited to, non-recoverable client service costs, technology costs, professional insurance costs and office space related costs (mainly utilities and maintenance costs).

Other operational costs for the quarter and six-month period ended July 2, 2022, as a percentage of net revenues, were lower than the comparable periods in 2021, mainly due to better cost absorption as a result of significant growth in net revenues, as well as lower discretionary spending and other corporate expenses, partially offset by higher travel costs due to inflationary pressures.

Exchange gains and losses and interest income

In the quarter and six-month period ended July 2, 2022, operational foreign exchange gains of $3.3 million and $4.8 million, respectively, were lower than the gains of $7.3 million and $11.0 million in the corresponding periods in 2021. This variance is mainly attributable to the US dollar.

Depreciation, amortization and impairment of long-lived assets

Depreciation of right-of-use assets, as a percentage of net revenues, decreased in the quarter and six-month period ended July 2, 2022 when compared to the corresponding periods in 2021, mainly due to lease terminations and lease modifications in connection with office closures and downsizing, as the Corporation achieves synergies with newly acquired businesses and works toward a hybrid workplace model.

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

Acquisition, integration and reorganization costs and ERP implementation costs

Acquisition, integration and reorganization costs include, if and when incurred, transaction and integration costs related to business acquisitions, any gains or losses on disposals of non-core assets, outsourcing program costs pertaining mainly to redundancy and transition costs resulting from the outsourcing of the Corporation's infrastructure or other functions, restructuring costs, and severance costs stemming from adjustments to cost structures. In the table above, these costs are combined with ERP implementation costs.

Acquisition, integration and reorganization costs and ERP implementation 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 reorganization costs of $22.9 million in the second quarter of 2022 and $43.7 million in the six-month period ended July 2, 2022. The increases are mainly due to higher business integration costs in 2022, related to the Golder Acquisition and other recently completed and announced acquisitions.

In the quarter and six-month period ended July 2, 2022, the Corporation incurred ERP implementation costs of $11.9 million and $22.0 million, respectively.

8.5 FINANCING EXPENSES

Net financing expense for the second quarter and six-month period ended July 2, 2022 were higher than the comparable periods in 2021, mainly attributable to non-cash losses in value of investments related to a US-employees' deferred compensation plan compared to gains in the comparable periods and higher interest on long-term debt.

8.6 INCOME TAXES

In the second quarter of 2022, income tax expense of $35.4 million was recorded on earnings before income taxes of $125.0 million, representing an effective income tax rate of 28.3%.

For the six-month period ended July 2, 2022, an income tax expense of $69.9 million was recorded on earnings before income taxes of $255.1 million representing an effective income tax rate of 27.4%.

8.7 NET EARNINGS

In the second quarter of 2022, the Corporation's net earnings attributable to shareholders decreased to $89.3 million, or $0.75 per share on a diluted basis, compared to $120.0 million, or $1.02 per share on a diluted basis for the comparable period in 2021. The decrease is mainly attributable to non-cash losses in value of investments related to a US-employees' deferred compensation plan compared to gains in the comparable period, charges against leased assets resulting from office consolidations and ERP implementation costs.

For the six-month period ended July 2, 2022, the Corporation's net earnings attributable to shareholders were $184.3 million, or $1.56 per share, compared to $207.9 million, or $1.80 per share in the corresponding period in 2021. The decrease is mainly due to higher financing expense, increase acquisition, integration and reorganization costs, ERP implementation costs, higher amortization and depreciation expense and impairment of leases assets, partially offset by higher adjusted EBITDA.

8.8 ADJUSTED NET EARNINGS

Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The amendment was made in the context of on-going and planned reorganizations as part of our real estate strategy following recent and planned acquisitions in order to realize synergies and improve the cost structure of the combined business. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021 nor in the first quarter of 2022.

Management believes that adjusted net earnings and adjusted net earnings per share should be taken into consideration in assessing the Corporation's performance against its peer group. In the context of highly acquisitive companies or consolidating industries such as engineering and construction, this non-IFRS measure isolates amortization of intangible assets related to acquisitions (created from the allocation of purchase price between goodwill and intangible assets) as well as other charges directly or indirectly related to acquisitions. In addition, this non-IFRS financial measure is adjusted for certain non-cash items related to market volatility, which are inherently unpredictable.

Adjusted net earnings stood at $153.5 million, or $1.30 per share, in the second quarter of 2022, compared to $147.3 million, or $1.26 per share, in Q2 2021. In the six-month period ended July 2, 2022, adjusted net earnings stood at $289.9 million, or $2.46 per share, compared to $241.5 million, or $2.09 per share, in 2021. The increases in these metrics are mainly attributable to higher adjusted EBITDA.

Reconciliation of adjusted net earnings

The following table reconciles this metric to the most comparable IFRS measure:

	Second quarters ended		Six-month periods ended	
(in millions of dollars, except per share data)	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Net earnings attributable to shareholders	**$89.3**	**$120.0**	**$184.3**	**$207.9**
Amortization of intangible assets related to acquisitions	$21.0	$24.7	$42.1	$38.3
Impairment of right-of-use assets	$14.3	$—	$14.3	$—
Acquisition, integration and reorganization costs	$22.9	$17.6	$43.7	$18.2
ERP implementation costs	$11.9	$—	$22.0	$—
Losses (gains) on investments in securities related to deferred compensation obligations	$14.5	$(6.7)	$22.4	$(10.1)
Unrealized losses (gains) on derivative financial instruments	$2.1	$—	$(3.5)	$(2.0)
Income taxes related to above items	$(22.5)	$(8.3)	$(35.4)	$(10.8)
Adjusted net earnings*	**$153.5**	**$147.3**	**$289.9**	**$241.5**
Adjusted net earnings per share*	**$1.30**	**$1.26**	**$2.46**	**$2.09**

* Non-IFRS financial measure or non-IFRS ratio.

9 LIQUIDITY

	Second quarters ended		Six-month periods ended	
(in millions of dollars)	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Cash inflows from operating activities	$125.4	$147.4	$42.4	$310.8
Cash inflows (outflows) from financing activities	$(148.0)	$1,144.3	$(270.3)	$1,048.8
Cash outflows from investing activities	$(41.7)	$(1,196.0)	$(69.6)	$(1,252.7)
Effect of exchange rate change on cash	$(3.5)	$(6.6)	$(7.2)	$(14.8)
Change in net cash and cash equivalents	**$(67.8)**	**$89.1**	**$(304.7)**	**$92.1**
Dividends paid to shareholders of WSP Global Inc.	$(22.3)	$(21.7)	$(43.7)	$(41.2)
Net capital expenditures*	$(29.7)	$(15.5)	$(50.6)	$(31.7)

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

9.1 OPERATING ACTIVITIES AND FREE CASH FLOW

Cash flows from operating activities

The decrease in cash inflows from operating activities in the six-month period ended July 2, 2022, in contrast to the comparable period in 2021 is mainly attributable to the increased investment in net working capital to support organic revenue growth and the slight increase in DSO. In addition, income taxes paid was higher mainly due to changes in tax regulations in the US which delays the deductibility of certain expenses and higher taxable income in some jurisdictions in 2021 for which the related income tax was paid in 2022.

Free cash flow

The free cash outflow for the six-month period ended July 2, 2022 was $170.4 million, compared to free cash inflow of $137.9 million in the corresponding period in 2021. For the trailing twelve-months ended July 2, 2022, free cash flow amounted to $337.8 million, representing 0.8 times the net earnings attributable to shareholders. Lower free cash flow in 2022 year-to-date was mainly attributable to the increased investment in net working capital to support organic revenue growth and the slight increase in DSO. In addition, income taxes paid was higher mainly due to changes in tax regulations in the US which delays the deductibility of certain expenses and higher taxable income in some jurisdictions in 2021 for which the related income tax was paid in 2022.

Reconciliation of 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.

	Second quarters ended		Six-month periods ended	
(in millions of dollars)	July 2, 2022	June 26, 2021	July 2, 2022	June 26, 2021
Cash inflows from operating activities	**$125.4**	**$147.4**	**$42.4**	**$310.8**
Lease payments in financing activities	$(80.8)	$(79.3)	$(162.2)	$(141.2)
Net capital expenditures*	$(29.7)	$(15.5)	$(50.6)	$(31.7)
Free cash (outflow) inflow**	**$14.9**	**$52.6**	**$(170.4)**	**$137.9**

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

** Non-IFRS financial measure.

9.2 FINANCING ACTIVITIES

In the second quarter and six-month period ended July 2, 2022, cash outflows from financing activities of $148.0 million and $270.3 million, respectively, were mainly due to lease payments, net repayments and interest payments on borrowings under credit facilities, and dividends paid to shareholders of the Corporation.

The changes as compared to the corresponding periods in 2021 are due to issuance of senior unsecured notes, net proceeds of borrowings under credit facilities and issuance of common shares in the second quarter of 2021.

9.3 INVESTING ACTIVITIES

In the second quarter and six-month period ended July 2, 2022, cash outflows used for investing activities related mainly to net capital expenditures and business acquisitions.

Cash outflows used for investing activities were lower due to the Golder Acquisitions which closed in April 2021.

9.4 NET DEBT TO ADJUSTED EBITDA RATIO

As at July 2, 2022, the Corporation's statement of financial position remained strong, with a net debt position of $1,170.4 million and a net debt to adjusted EBITDA ratio of 0.8x, below the Corporation's target ratio range of 1.0x to 2.0x.

9.5 CAPITAL RESOURCES

	As at	
(in millions of dollars)	**July 2, 2022**	**December 31, 2021**
Cash and cash equivalents	$624.0	$927.4
Available syndicated credit facility	$1,469.5	$1,442.9
Other operating credit facilities	$208.9	$182.4
Available short-term capital resources	**$2,302.4**	**$2,552.7**

The Corporation believes that its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its continued growth strategy, its working capital requirements and planned capital expenditures.

9.6 CREDIT FACILITIES

The Corporation has in place, as at July 2, 2022, a credit facility with a syndicate of financial institutions providing for a maximum amount of US$1,400 million and a US$750 million fully committed bank financing with maturities up to April 2027. The US$1,400-million credit facility is available for general corporate purposes and for financing business acquisitions. The US$750-million credit facility was drawn in the form of term loans with various maturity dates up to April 2025.

Under these credit facilities, 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 agreements and do not correspond to the Corporation's metrics described in section 19, "Glossary of segment reporting, non-IFRS and other financial 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 facilities. All covenants were met as at July 2, 2022.

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

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

9.7 DIVIDENDS

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

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

Subsequent to the end of the quarter, holders of 57,574,932 common shares, representing 48.8% of all outstanding shares as at June 30, 2022, elected to participate in the DRIP. As a result, on July 15, 2022, $21.6 million of the second quarter dividend was reinvested in common shares of the Corporation. The net cash outflow on July 15, 2022 for the second quarter dividend payment was $22.7 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 of the information in this section constitutes forward-looking information. Please refer to section 16, "Forward-Looking Statements", of this MD&A.

9.8 STOCK OPTIONS

As at August 5, 2022, 720,076 stock options were outstanding at exercise prices ranging from $41.69 to $180.65.

10 EIGHT QUARTER SUMMARY

		2022		2021				2020	
	Trailing twelves months	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
(in millions of dollars, except per share data)		Second quarter ended July 2	First quarter ended April 02	Fourth quarter ended December 31	Third quarter ended September 25	Second quarter ended June 26	First quarter ended March 27	Fourth quarter ended December 31	Third quarter ended September 26
Results of operations									
Revenues	$11,017.2	$2,764.2	$2,711.8	$2,891.0	$2,650.2	$2,633.1	$2,104.8	$2,248.3	$2,137.8
Net revenues	$8,383.6	$2,109.6	$2,100.0	$2,147.4	$2,026.6	$2,028.8	$1,666.8	$1,688.3	$1,687.6
Adjusted EBITDA*	$1,415.7	$352.2	$324.6	$361.2	$377.7	$342.6	$241.0	$262.1	$297.1
Net earnings attributable to shareholders	$450.0	$89.3	$95.0	$126.7	$139.0	$120.0	$87.9	$68.9	$104.3
Basic net earnings per share**		$0.76	$0.81	$1.08	$1.18	$1.03	$0.77	$0.61	$0.92
Diluted net earnings per share**		$0.75	$0.80	$1.07	$1.18	$1.02	$0.77	$0.61	$0.92
Backlog		$11,448.8	$11,021.4	$10,425.6	$10,032.4	$9,632.4	$8,430.9	$8,421.3	$8,505.8
Dividends									
Dividends declared	$176.8	$44.3	$44.2	$44.2	$44.1	$44.0	$42.7	$42.5	$42.5
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

* Non-IFRS financial measure.

** Quarterly net earnings per share are not additive and may not equal the annual net earnings per share reported. This may be a result of the effect of shares issued on the weighted average number of shares, as well as the impact of dilutive options.

The Corporation's quarterly earnings and revenue measures are, to a certain degree, affected by seasonality. The third and fourth quarters historically 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 GOVERNANCE

Internal controls 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 interim 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 are also responsible for establishing and maintaining internal controls over financial reporting ("ICFR") and have designed 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 April 3, 2022 and ended on July 2, 2022 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. The Corporation regularly monitors and assesses its DC&P and ICFR, while reiterating the importance of internal controls and maintaining frequent communication across the organization at all levels, in order to maintain a strong control environment.

Responsibilities of the Board of Directors

The Board has oversight responsibilities for reported financial information. Accordingly, the Board has reviewed and approved, upon recommendation of the Audit Committee of the Corporation, this MD&A and the unaudited interim condensed consolidated financial statements for the quarter and six-month period ended July 2, 2022, before their publication.

12 SIGNIFICANT ACCOUNTING POLICIES

The Corporation's unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board and are based on the same accounting policies as those used in the preparation of the Corporation's audited consolidated financial statements for the year ended December 31, 2021 and new accounting standards effective January 1, 2022.

Please refer to note 2, Summary of significant accounting policies, to the Corporation's 2021 audited consolidated financial statements for more information about the significant accounting principles. Also refer to note 3, Critical accounting estimates and judgments, for the significant estimates and judgments used to prepare the unaudited interim condensed consolidated financial statements for the quarter and six-month period ended July 2, 2022.

13 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, and long-term 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. Refer to note 10, Financial instruments, to the Corporation's unaudited interim condensed consolidated financial statements for the quarter and six-month period ended July 2, 2022 for a description of the Corporation's hedging activities.

The Corporation's financial instruments expose the Corporation primarily to foreign exchange, credit, liquidity and interest rate risks. Refer to section 20, "Risk factors", of the Corporation's MD&A for the year ended December 31, 2021, as well as note 14, Financial instruments, to the Corporation's audited consolidated financial statements for the year ended December 31, 2021, for a description of these risks and how they are managed, as well as for a description of how fair values are determined.

During the second quarter of 2022, there were no material changes to the risks related to financial instruments and no significant changes in the financial instrument classifications. Furthermore, the methodology used to determine the fair value of financial instruments did not change during the second quarter of 2022.

14 RELATED PARTY TRANSACTIONS

The Corporation's related parties, as defined by IFRS, are its joint operations, joint ventures, associates and key management personnel. During the second quarter of 2022, there were no material changes to the Corporation's related parties.

15 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.

16 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. Such 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, 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 the date such statements were made, including assumptions set out through this MD&A and 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 subconsultants; 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. 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 17, "Risk factors" of the Corporation's MD&A for the year ended December 31, 2021: "Impact of the COVID-19 Pandemic"; "Health and Safety Risks and Hazards"; "Non-Compliance with Laws or Regulations"; "Systems, Network Infrastructure and Data Failure, Interruption and Breach"; "Availability and Retention of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Global Operations"; "Competition in the Industry"; "Professional Services Contracts"; "Revenues from Contracts with Government Agencies"; "Challenges Associated with Size"; "Growth by Acquisitions"; "Acquisition Integration and Management"; "Controls and Disclosure"; "Current or Future Legal Proceedings"; "Reputation"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Ecological and Social Impacts of Projects"; "Implications of Setting and Announcing ESG Targets"; "Work Stoppage and Labour Disputes"; "Joint Arrangements"; "Reliance on Suppliers and Subconsultants"; "Economic Environment"; "Changes to Regulations"; "Insurance Limits"; "Changes to Backlog"; "Protection of Intellectual Property Rights"; "Deterioration of Financial Position or Net Cash Position"; "Working Capital Requirements"; "Accounts Receivable"; "Increased Indebtedness and Raising Capital"; "Impairment of Long-Lived Assets"; "Foreign Currency Exposure"; "Income Taxes"; "Underfunded Defined Benefits Obligations"; "Potential Dilution and Share Price Volatility"; "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 securities commissions 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 take any responsibility to 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. The Corporation may also make oral forward-looking statements from time to time. The Corporation advises that the above paragraphs and the risk factors set forth in section 17, "Risk factors" of this MD&A should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from the results expressed or implied in any oral forward-looking statements.

17 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 2022-2024 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 Corporation's shares or adversely affect the Corporation's ability to declare and/or pay dividends on the shares.

The risks and uncertainties which Management considers as the most material to the Corporation's business are described in section 20, "Risk Factors", of the Corporation's MD&A for the year ended December 31, 2021. These risks and uncertainties have not materially changed and are hereby incorporated by reference.

18 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, 2021 is available on these websites.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP". As at July 2, 2022, the Corporation had 118,066,650 common shares outstanding. As at August 5, 2022, the Corporation had 118,220,374 common shares outstanding.

The Corporation has no other shares outstanding.

19 GLOSSARY OF SEGMENT REPORTING, NON-IFRS AND OTHER FINANCIAL MEASURES

Net revenues

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

Net revenues is a segment reporting measure and a total of segments measure, without a standardized definition within IFRS, which 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, "Net revenues", 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 on long-lived assets and reversals thereof, share of income tax expense and depreciation of associates, acquisition, integration and reorganization costs and ERP implementation costs. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues.

Adjusted EBITDA is a non-IFRS financial measures. Adjusted EBITDA margin is a non-IFRS ratio. These measures have no standardized definitions under IFRS, 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 8.3, “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 and total of segments 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.

These metrics provide Management with comparability from one reportable segment to another. Refer to section 8.3, “Adjusted EBITDA”, for reconciliations of adjusted EBITDA to adjusted EBITDA by segment and of earnings before net financing expense and income taxes to adjusted EBITDA.

Adjusted net earnings and adjusted net earnings per share

Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The amendment was made in the context of on-going and planned reorganizations as part of our real estate strategy following recent and planned acquisitions in order to realize synergies and improve the cost structure of the combined business. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021 nor in the first quarter of 2022.

Adjusted net earnings is defined as net earnings attributable to shareholders excluding:

- amortization of intangible assets related to acquisitions;
- impairment charges on long-lived assets and reversals thereof;
- acquisition, integration and reorganization costs;
- ERP implementation costs;
- gains or losses on investments in securities related to deferred compensation obligations, included in other financial assets;
- unrealized gains or losses on derivative financial instruments; and
- the income tax effects related to the above-mentioned items.

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

Adjusted net earnings is a non-IFRS financial measure and adjusted net earnings per share is a non-IFRS ratio. These measures have no standardized definitions under IFRS, and, accordingly, these measures may not be comparable to similar measures used by other issuers.

The exclusion of acquisition, integration and reorganization costs, amortization of intangible assets related to acquisitions and impairment charges on long-lived assets and reversals thereof provides 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 reorganization costs and as a result of which the Corporation's amortization expense may increase due to recognition of intangible assets which would not normally be recognized outside of a business combination. In addition, reorganization of the business in line with our real estate strategy and realization of synergies following acquisitions may lead to impairment or abandonment of certain assets in order to improve the Corporation's overall cost structure. Management also excludes ERP implementation costs as such costs are not representative of the operating activities of the business. In addition, this non-IFRS financial measure is adjusted for certain non-cash items related to market volatility, which are inherently unpredictable. 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 other financial assets in the Corporation's statement of financial position. These 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 and are therefore not considered actuarial gains and losses recorded through other comprehensive income, and instead are recorded in financing expense. Finally, unrealized gains or losses on derivative financial instruments relate to future transactions and therefore are not comparable when included in the current period results.

Management believes these items should be excluded in understanding the underlying operational financial performance achieved by the Corporation. Refer to section 8.8, “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 supplementary financial measure without a standardized definition within IFRS. Backlog is different from the IFRS definition of unfulfilled performance obligations, as backlog also includes cost-plus contracts without stated ceilings, and cost-plus contracts with ceilings and fixed-price contracts on which work has not yet commenced. 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

Free cash flow (or outflow) 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 financial 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 supplementary financial 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 capital management measure. Net debt is defined as long-term debt, 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 the trailing twelve-month adjusted EBITDA.