

THIRD QUARTER ENDED SEPTEMBER 30, 2017

MANAGEMENT'S  
DISCUSSION AND ANALYSIS  
UNAUDITED

NOVEMBER 07, 2017



wsp



## **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 Property & Buildings, Transportation & Infrastructure, Environment, Industry, Resources (including Mining and Oil & Gas) and Power & Energy sectors as well as project delivery and strategic consulting services. With over 39,000 talented people in 500 offices across 40 countries, we engineer projects that will help societies grow for lifetimes to come.

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# 1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of consolidated financial position and consolidated results of operations dated November 7, 2017, 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 unaudited interim condensed consolidated financial statements and accompanying notes of the Corporation for the quarter ended September 30, 2017, and the audited consolidated financial statements and accompanying notes of the Corporation for the year ended December 31, 2016. The Corporation's unaudited interim condensed consolidated financial statements for the period ended September 30, 2017, have been prepared in compliance with International Financial Reporting Standards ("IFRS") as defined in the Handbook of the Canadian Institute of Chartered Professional Accountants and adopted 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 third quarter results, covering the period from July 2, 2017 to September 30, 2017 and the year-to-date period from January 1 to September 30, 2017. The Corporation's second and third quarters are always comprised of 13 weeks of operations. However, the number of weeks of operations in the first and fourth quarters will vary as the Corporation has a statutory December 31 year-end.

In this MD&A, references to the "Corporation", "we", "us", "our" and "WSP" or "WSP Global" refer to WSP Global Inc. Depending on the context, this term may also include subsidiaries and associated companies.

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

Management of the Corporation ("Management") believes that these non-IFRS measures provide useful information to investors regarding the Corporation's financial condition and results of operations as they provide key metrics of its performance. These non-IFRS measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similar computations as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

# 3 CORPORATE OVERVIEW

As one of the world's leading professional services firms, WSP provides technical expertise and strategic advice to clients in the property & buildings, transportation & infrastructure, environment, industry, resources (including mining and oil & gas) and power & energy sectors. We also offer highly specialized services in project delivery and strategic consulting. Our experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. With over 39,000 talented people in 500 offices across 40 countries, we are uniquely positioned to deliver successful and sustainable projects, wherever our clients need us.

The Corporation's business model is centered on maintaining a leadership position in each of its end markets and the regions in which it operates by establishing a strong commitment to and recognizing the needs of surrounding communities, and local and national clients. Such a business model translates into regional offices with a full service offering throughout every project execution phase. The Corporation has the breadth of capability and the depth of expertise to transform clients' visions into realities that are sustainable in every sense - commercially, technically, socially and environmentally.

Functionally, market segment leaders work together with regional leaders to develop and coordinate markets served, combining local knowledge and relationships with nationally recognized expertise.

The Corporation offers a variety of project services throughout all project execution phases, from the initial development and planning studies through to the project/program management, design, construction management, commissioning and maintenance phases.

The Corporation has developed a multidisciplinary team approach whereby employees work closely with clients to develop optimized solutions on time and on budget. The market segments in which the Corporation operates are described below.

- **Property & Buildings:** The Corporation is a world-leading provider of technical and management consultancy services with an unrivalled track record in delivering buildings of the highest quality. We are involved in every stage of a project's life-cycle, from the earliest planning stages through design and construction, to asset management and refurbishment. Our technical experts offer truly multidisciplinary services including structural and mechanical, electrical, and plumbing (MEP) engineering, supplemented by a wide range of specialist services such as fire engineering, lighting design, vertical transportation, acoustics, intelligent building systems, audiovisual systems, information technology, façade engineering and green building design.
- **Transportation & Infrastructure:** The Corporation's experts plan, analyze, design and manage projects for rail, transit, aviation, bridges, tunnels, highways, ports, roads and urban infrastructure. Public and private clients, and partners from around the world seek our expertise to create mid and long-term transport and infrastructure strategies, and to provide guidance and support throughout the life-cycle of a wide range of projects. We are one of the world's largest providers of infrastructure services, with a proven track record of delivery within budget and on time. We offer a full range of services locally with extensive global experience to successfully deliver projects.
- **Environment:** The Corporation has specialists working with and advising businesses and governments in all key areas of the environment sector. These experts deliver a broad range of services covering air, land, water and health. They advise and work with clients on a range of environmental matters from risk management, permitting authorizations and regulatory compliance to handling and disposal of hazardous materials, land remediation, environmental and social impact assessment, and employee health and safety. Our reputation has been built on helping

clients worldwide mitigate risk, manage and reduce impacts, and maximize opportunities related to health and safety, sustainability, climate change, energy and the environment.

- **Industry:** The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology and chemicals. Our specialists offer a unique blend of skills with a deep understanding of industrial and energy processes, and the engineering expertise required to plan, design, build and operate a new plant, or to automate equipment in an existing industrial facility. Experts offer a full range of consulting and engineering services within multiple disciplines that span all stages of a project - from strategic studies, concept design and productivity analysis to serving as an owner's engineer at each stage of an engineering, procurement, and construction management (EPCM) contract.
- **Resources (including mining, oil and gas):** The Corporation has the scale and expertise to support all our worldwide resource clients. In mining, experts work with clients throughout the project life-cycle - from conceptual and feasibility studies to addressing social acceptance issues; and from detailed engineering and complete EPCM to site closure and rehabilitation. Our expertise includes resource and reserve modeling, metallurgical testing, geotechnical and mine design and detailed engineering for mining infrastructure. In oil and gas, we help clients with some of their most demanding technical and logistical challenges. Our experts advise on how to plan, design and support the development of pipelines and gas networks, as well as how to ensure the integrity of critical assets and obtain permits and consent.
- **Power & Energy:** The Corporation offers its energy sector clients complete solutions for all aspects of their projects, whether they are large-scale energy plants, smaller on-site facilities or retrofitting and efficiency programs - helping to reduce energy demand and deliver schemes to create a sustainable future. Our experts can advise and work on every stage of a project, from pre-feasibility to design, operation and maintenance and decommissioning. They offer long-term operational management support services from the first feasibility studies, providing advice on aspects ranging from technical, financial and environmental issues to engineering design and energy simulations during the construction phase.

In addition to these sectors, the Corporation offers highly specialized project delivery and strategic services:

- **Project and Program Delivery:** The Corporation's seasoned professionals assess and understand clients' goals, as well as technical, environmental and commercial issues, thus leveraging their extensive experience in global project and program delivery. This holistic approach allows them to plan and implement projects efficiently, with a focus on cost, schedule, quality and safety. The Corporation's fully integrated service offerings are tailored to support clients' best interests throughout the planning, implementation and commissioning stages of their work. We mobilize the right team to execute projects of any size and complexity with optimal efficiency and cost-effectiveness. Our comprehensive experience enables us to plan and manage projects using best-in-class project management processes, techniques, and tools.
- **Strategic Consulting:** The Corporation offers strategic consulting services that help clients make informed decisions taking into consideration changing economic conditions, evolving government priorities and emerging technologies. To stay competitive and manage their infrastructure and property assets in the most efficient way, clients need to use insightful data and "lessons learned" from experts who support clients around the world. The Corporation not only provides local expertise, but also offers international benchmarks and best practice solutions based on our extensive experience. Our team blends the technical skills of our global network with results-oriented business acumen.

## 4 PERFORMANCE METRICS

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

Category	Performance Metric	Q3 2017 vs Q3 2016	YTD 2017 vs YTD 2016
Growth:	Net Revenues*	●	●
	Organic growth**	●	●
	Backlog*	●	●
Profitability:	Adjusted EBITDA*	●	●
	Adjusted EBITDA margin*	●	●
	Adjusted net earnings*	●	●
	Funds from operations*	●	●
	Free cash flow*	●	●
Liquidity:	Cash flows from operating activities – a measure of cash generated from our day-to-day business operations.	●	●
	DSO*	●	●
	Net Debt to adjusted EBITDA* - a measure of financial leverage	●	●

\* Non-IFRS measures are described in the “Glossary” section. Reconciliations to IFRS measures can be found in sections 8 and 9.

\*\* Organic growth is a measure of net revenues growth in local currencies. The Corporation believes it is helpful to adjust net revenues to exclude the impact of net revenues related to acquisitions and foreign currency fluctuations in order to facilitate comparable period operating segment business performance.

- Favourable
- Stable
- Unfavourable

# 5 Q3 2017 FINANCIAL RESULTS HIGHLIGHTS

The quarter delivered robust consolidated organic growth in net revenues of 4.4% and adjusted EBITDA margin of 12.5%, both slightly ahead of Management's expectations. Backlog remained stable compared to prior quarter and DSO was in line with seasonality cycle.

- Revenues and net revenues of \$1,636.8 million and \$1,286.2 million, up 5.4% and 8.1%, respectively, compared to Q3 2016.
- Adjusted EBITDA of \$160.4 million, up \$13.2 million or 9.0%, compared to Q3 2016.
- Adjusted EBITDA margin at 12.5%, compared to 12.4% in Q3 2016.
- Adjusted net earnings of \$79.5 million, or \$0.77 per share, up 18.8% and 16.7%, respectively, compared to Q3 2016.
- Adjusted net earnings excluding amortization of intangible assets related to acquisitions of \$89.9 million, or \$0.88 per share, up 16.5% and 14.3%, respectively, compared to Q3 2016.
- Net earnings attributable to shareholders of \$72.6 million, or \$0.71 per share, up 14.7% and 12.7%, respectively, compared to Q3 2016.
- Backlog at \$5,963.9 million, representing 10.2 months of revenues, comparable to Q2 2017 and up \$592.7 million, or 11.0% compared to Q3 2016.
- DSO stood at 86 days, stable when compared to Q3 2016.
- Free cash flow, on a trailing twelve-month basis, at \$251.3 million and 105.1% of net earnings.
- Quarterly dividend declared of \$0.375 per share, with a 52.8% Dividend Reinvestment Plan ("DRIP") participation.
- Net debt to adjusted EBITDA ratio stood at 1.8x, in line with our target range.
- Full-year 2017 financial outlook reiterated, biased towards the higher end of the ranges provided pertaining to net revenues, organic growth in net revenues and adjusted EBITDA. As previously disclosed, the billable days differential between Q4 2017 and Q4 2016 will negatively impact certain critical Q4 2017 comparative performance metrics.

## 6 Q3 2017 HIGHLIGHTS

- On July 15, 2017, WSP made the acquisition of POCH ("POCH"), a 730-employee professional services firm based in Chile. This acquisition will provide WSP a leadership position in engineering, environmental services, project/construction management as well as supervision/control services for industrial, buildings, environment and energy clients in the Chilean market. It will also strengthen WSP's presence in Colombia, Peru and Mexico. The acquisition, financed using available cash and credit facilities, represents a significant milestone in the Corporation's ambition to become a top-tier pure player in Latin America.
- On August 14, 2017, WSP announced that it had entered into an agreement with UEM Edgenta Berhad ("UEM Edgenta"), under which WSP will acquire UEM Edgenta's 61.2% in Opus International Consultants Limited (NZSE:OIC) ("OIC"), through a New Zealand takeover offer. WSP, through a wholly-owned subsidiary, filed a notice of intention to make this takeover offer, in cash, for 100% of the fully paid shares in OIC at NZ\$1.78 per OIC share (the "Offer"). The Offer values the entire issued share capital of OIC at approximately NZ\$263.2 million (C\$243.4 million).

OIC is a multi-disciplinary infrastructure (transportation and water), buildings and asset development/management consultancy with approximately 3,000 engineers, designers, planners, researchers and advisers across New Zealand, Australia, Canada and the United Kingdom.

This transaction, which is expected to close in the fourth quarter of 2017 using available cash and credit facilities, will enable the Corporation to fulfill its strategic ambitions of enhancing activities in the Australia/New Zealand region, while strengthening its expertise in the water-related infrastructure sector and asset development/management.

- Subsequent to the end of the quarter, WSP announced the acquisition of Consultoría Colombiana S.A ("ConCol"), a 1,000 employee professional services firm based in Colombia, with offices in Peru, Chile and Mexico. ConCol is a multidisciplinary pure play consulting firm, with a recognized expertise in power, transport, oil and gas, environment, as well as in project management.

The acquisition of ConCol, financed using available cash and credit facilities, will further strengthen WSP's presence in Latin America, specifically in power transmission. This acquisition, which closed on November 2, 2017, increased the Corporation's headcount for the region to over 2,500 employees.

## 7 Q3 2017 REVIEW

The Corporation generated revenues and net revenues of \$1,636.8 million and \$1,286.2 million in Q3 2017, up 5.4% and 8.1%, respectively, compared to the same period in 2016. Consolidated organic growth in net revenues stood at 4.4%, and was slightly ahead of Management's expectations.

Adjusted EBITDA and adjusted EBITDA margin for the quarter stood at \$160.4 million and 12.5%, up 9.0% and 0.8%, respectively, compared to Q3 2016, and was in line with Management's expectations.

Organic growth in net revenues for our Canadian operations stood at 6.8%, led by the region's transportation & infrastructure and property & buildings market segments. Backlog organic growth year over year stood at 6.3%. Significant project wins, notably several projects with Ontario's Ministry of Transportation and WSP's portion of the 4Transit joint-venture Metrolinx contract for Regional Express Rail Program helped propel Canada's backlog to a record high \$1.0 billion.

The improvement in Canada's adjusted EBITDA margin before Global Corporate costs, from 11.1% in Q3 2016 to 13.0% in Q3 2017, was in line with Management's expectations and due to higher utilization rates achieved and improved project delivery.

Our Americas operating segment posted flat organic growth in net revenues and adjusted EBITDA margin before Global Corporate costs stood at 17.8% of net revenues, both metrics in line with Management's expectations. Backlog stood at \$2,114.8 million, growing 11.5% organically compared to Q2 2017, with the bulk of the backlog organic growth stemming from the transportation & infrastructure market segment. Significant contracts signed for work in Texas, California and Illinois were the catalysts for the backlog organic growth. Two tuck-in acquisitions were closed during the quarter, adding expertise to our property & buildings and environment practices.

Our Latin American operations delivered results in line with Management's expectations and the integration of POCH is proceeding according to plan.

Our EMEIA operating segment delivered organic growth in net revenues of 5.4%, and adjusted EBITDA margin of 11.0%, both in line with Management's expectations.

Our Nordics operations posted another solid quarter, delivering organic growth in net revenues in the low double digits. Our Swedish operations led the way for the region, increasing staff and adding backlog across most market segments. Utilization rates were down slightly compared to Q3 2016, mainly as a result of the increased headcount needed to keep up with the significant organic growth experienced by the region.

Our UK operations posted moderate organic growth in net revenues of 1.6%, mainly due to robust growth experienced by the transportation & infrastructure market segment. Concerns pertaining to "Brexit" are expected to linger in the short-term, negatively impacting the private commercial and retail markets.

Organic growth in net revenues for our APAC operating segment stood at 7.8%. Our Australian operations delivered another strong quarter with significant organic growth in net revenues, while maintaining backlog. Our Asian operations continued to suffer from a significant slowdown in China's property & buildings segment.

With results in line with our overall expectations to date, we remain confident in our ability to deliver on our 2017 plan. Notwithstanding the billable days differential between Q4 2017 and Q4 2016, which will negatively impact certain critical Q4 2017 performance metrics, we are reiterating our full year 2017 outlook with a bias towards the higher end of the ranges provided pertaining to net revenues, organic growth in net revenues and adjusted EBITDA.

# 8 FINANCIAL REVIEW

## 8.1 RESULTS OF OPERATIONS

	Q3		YTD	
	2017	2016	2017	2016
	For the period from July 2 to September 30	For the period from June 26 to September 24	For the period from January 1 to September 30	For the period from January 1 to September 24
(in millions of dollars, except number of shares and per share data)				
Revenues	\$1,636.8	\$1,552.5	\$4,987.9	\$4,581.2
Less: Subconsultants and direct costs	\$350.6	\$362.7	\$1,109.9	\$1,013.8
<b>Net revenues*</b>	<b>\$1,286.2</b>	<b>\$1,189.8</b>	<b>\$3,878.0</b>	<b>\$3,567.4</b>
Personnel costs	\$953.4	\$884.5	\$2,958.6	\$2,717.0
Occupancy costs	\$61.5	\$56.9	\$171.5	\$170.9
Other operational costs <sup>(1)</sup>	\$111.2	\$101.5	\$334.1	\$318.0
Share of earnings of associates	\$(0.3)	\$(0.3)	\$(1.4)	\$(2.2)
<b>Adjusted EBITDA*</b>	<b>\$160.4</b>	<b>\$147.2</b>	<b>\$415.2</b>	<b>\$363.7</b>
Acquisition and integration costs*	\$9.4	\$5.3	\$16.1	\$17.8
<b>EBITDA*</b>	<b>\$151.0</b>	<b>\$141.9</b>	<b>\$399.1</b>	<b>\$345.9</b>
Amortization of intangible assets	\$20.6	\$20.5	\$61.3	\$60.7
Depreciation of property, plant and equipment	\$19.4	\$18.5	\$57.3	\$54.7
Financial expenses	\$10.0	\$10.1	\$26.6	\$29.2
Share of depreciation of associates	\$0.2	\$0.3	\$0.9	\$1.1
<b>Earnings before income taxes</b>	<b>\$100.8</b>	<b>\$92.5</b>	<b>\$253.0</b>	<b>\$200.2</b>
Income-tax expense	\$28.2	\$29.6	\$69.9	\$57.1
Share of tax of associates	\$—	\$—	\$0.1	\$0.4
<b>Net earnings</b>	<b>\$72.6</b>	<b>\$62.9</b>	<b>\$183.0</b>	<b>\$142.7</b>
Attributable to:				
- Shareholders	\$72.6	\$63.3	\$183.0	\$143.1
- Non-controlling interests	\$—	\$(0.4)	\$—	\$(0.4)
<b>Basic net earnings per share</b>	<b>\$0.71</b>	<b>\$0.63</b>	<b>\$1.79</b>	<b>\$1.43</b>
<b>Diluted net earnings per share</b>	<b>\$0.71</b>	<b>\$0.63</b>	<b>\$1.79</b>	<b>\$1.43</b>
Basic weighted average number of shares	102,684,023	100,715,048	102,234,641	100,192,698
Diluted weighted average number of shares	102,816,146	100,751,886	102,343,828	100,222,875

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

(1) Other operational costs include operational foreign exchange gains/losses and interest income

In sections 8.2 through 8.5, we review the year-over-year changes to operating results between 2017 and 2016, describing the factors affecting net revenues, backlog, expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA before Global Corporate costs and adjusted EBITDA margin before Global Corporate costs. Financial expenses, income taxes, net earnings (loss), adjusted net earnings (loss), adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions, funds from operations and free cash flow are also reviewed, on a consolidated level, in sections 8.6 through 8.10.

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

	Q3				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues* 2017	\$255.1	\$389.4	\$457.9	\$183.8	\$1,286.2
Net revenues* 2016	\$238.8	\$386.4	\$391.8	\$172.8	\$1,189.8
<b>Net change %</b>	6.8%	0.8 %	16.9 %	6.4 %	8.1 %
Organic Growth (Contraction)**	6.8%	0.3 %	5.4 %	7.8 %	4.4 %
Acquisition Growth**	—%	4.7 %	13.6 %	0.6 %	6.0 %
Foreign Currency Impact***	—%	(4.2)%	(2.1)%	(2.0)%	(2.3)%
<b>Net change %</b>	6.8%	0.8 %	16.9 %	6.4 %	8.1 %

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

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

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

	YTD				
(in millions of dollars, except number of employees and percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues* 2017	\$727.2	\$1,157.4	\$1,453.9	\$539.5	\$3,878.0
Net revenues* 2016	\$707.1	\$1,082.0	\$1,285.2	\$493.1	\$3,567.4
<b>Net change %</b>	2.8 %	7.0 %	13.1 %	9.4%	8.7 %
Organic Growth (Contraction)**	2.8 %	5.6 %	5.5 %	8.9%	5.5 %
Acquisition Growth**	— %	2.6 %	13.4 %	0.4%	5.5 %
Foreign Currency Impact***	— %	(1.2)%	(5.8)%	0.1%	(2.3)%
<b>Net change %</b>	2.8 %	7.0 %	13.1 %	9.4%	8.7 %
Approximate number of employees - 2017	7,800	8,500	16,000	5,950	38,250
Approximate number of employees - 2016	8,100	7,900	13,000	5,700	34,700
<b>Net change %</b>	(3.7)%	7.6 %	23.1 %	4.4%	10.2 %

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

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

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

The Corporation ended the third quarter of 2017 with net revenues of \$1,286.2 million, an increase of \$96.4 million, or 8.1% compared to Q3 2016. On a year-to-date basis, net revenues increased by \$310.6 million, or 8.7%.

The increase in net revenues, for the quarter and year-to-date periods, was driven by both organic and acquisition growth. Consolidated organic growth in net revenues stood at 4.4% and 5.5%, and consolidated acquisition growth stood at 6.0% and 5.5%, for the quarter and year-to-date periods, respectively. Foreign exchange, on a consolidated basis, had a negative impact for both the quarter and year-to-date periods, in line with fluctuations in world currencies.

## 8.2.1 CANADA

Net revenues from our Canadian operations were \$255.1 million in Q3 2017, an increase of \$16.3 million, or 6.8% compared to the same period in 2016, slightly higher than Management's expectations, driven mainly by increased activity in the transportation sector. The transportation & infrastructure and property & buildings market segments accounted for approximately 66% of net revenues.

For the nine-month period ended September 30, 2017, net revenues from our Canadian operating segment were \$727.2 million, an increase of \$20.1 million, or 2.8% compared to the same period in 2016, attributable to the same factors as specified for the quarter. The transportation & infrastructure and property & buildings market segments accounted for approximately 66% of net revenues.

## 8.2.2 AMERICAS

Net revenues from our Americas operating segment were \$389.4 million in Q3 2017, an increase of \$3.0 million, or 0.8% compared to the same period in 2016, stemming mainly from our US operations. Organic growth in net revenues, on a constant currency basis, was flat, coming in at 0.3%, and was in line with our expectations. Foreign exchange had a negative impact due mainly to the appreciation of the Canadian dollar against the US dollar (Q3 2017 vs Q3 2016). The transportation & infrastructure and property & buildings market segments accounted for approximately 83% of net revenues.

For the nine-month period ended September 30, 2017, net revenues from our Americas operating segment were \$1,157.4 million, an increase of \$75.4 million, or 7.0% compared to the same period in 2016, due mainly to continued strong performance from our US operations. Organic growth in net revenues, on a constant currency basis, was 5.6% and in line with our expectations. Foreign exchange impact was slightly negative. The transportation & infrastructure and property & buildings market segments accounted for approximately 88% of net revenues.

## 8.2.3 EMEIA

Net revenues from our EMEIA operating segment were \$457.9 million in Q3 2017, an increase of \$66.1 million, or 16.9% compared to Q3 2016. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 13.6% and 5.4%, respectively, both in line with our expectations. Foreign exchange had a negative impact due to the appreciation of the Canadian dollar versus most European currencies. The transportation & infrastructure and property & buildings market segments accounted for approximately 80% of net revenues.

For the nine-month period ended September 30, 2017, net revenues from our EMEIA operating segment were \$1,453.9 million, an increase of \$168.7 million, or 13.1% compared to the same period in 2016. Acquisition growth and organic growth in net revenues, on a constant currency basis, stood at 13.4% and 5.5% respectively, both in line with our expectations. Foreign exchange had a negative impact due to the

appreciation of the Canadian dollar versus most European currencies. The transportation & infrastructure and property & buildings market segments accounted for approximately 83% of net revenues.

## 8.2.4 APAC

Net revenues from our APAC operating segment were \$183.8 million in Q3 2017, an increase of \$11.0 million, or 6.4% when compared to the same period in 2016. Organic growth in net revenues, on a constant currency basis, stood at 7.8%. Our Australian operations delivered strong organic growth in net revenues, propelled by solid gains in most market segments. Our Asian operations continued to suffer from a continuing significant slowdown in China's buildings sector, partially offsetting the strong performance from our Australian operations. The transportation & infrastructure and property & buildings market segments accounted for approximately 86% of net revenues.

For the nine-month period ended September 30, 2017, net revenues from our APAC operating segment were \$539.5 million, an increase of \$46.4 million, or 9.4% compared to the same period in 2016, attributable to the same factors as specified for the quarter. The transportation & infrastructure and property & buildings market segments accounted for approximately 87% of net revenues.

## 8.3 BACKLOG

(in millions of dollars)	Q3 2017				
	Canada	Americas	EMEIA	APAC	Total
Backlog*	\$1,010.3	\$2,114.8	\$1,881.3	\$957.5	\$5,963.9
Soft backlog	\$376.9	\$1,472.2	\$180.0	\$147.9	\$2,177.0

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

(in millions of dollars)	Q2 2017				
	Canada	Americas	EMEIA	APAC	Total
Backlog*	\$945.9	\$1,905.5	\$2,054.6	\$958.6	\$5,864.6
Soft backlog	\$464.4	\$1,333.3	\$81.7	\$141.4	\$2,020.8

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

(in millions of dollars)	Q3 2016				
	Canada	Americas	EMEIA	APAC	Total
Backlog*	\$950.4	\$1,889.9	\$1,570.1	\$960.8	\$5,371.2
Soft backlog	\$481.9	\$956.1	\$330.5	\$156.8	\$1,925.3

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

As at September 30, 2017, backlog stood at \$5,963.9 million, representing 10.2 months of revenues, stable when compared to Q2 2017 and an increase of \$592.7 million or 11.0% compared to Q3 2016. On a constant currency basis, the Corporation posted backlog organic growth of 2.2% and 9.0% when compared to Q2 2017 and Q3 2016, respectively. The timing of contract awards has a significant impact on this metric.

In addition, the Corporation had a "soft backlog" of \$2,177.0 million at the end of Q3 2017. The soft backlog relates to contracts for which the client has formally notified us of an award, where the value of work to be carried out may not have been specified or for which funding may not yet have been designated.

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

## 8.4 EXPENSES

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

	Q3		YTD	
	2017	2016	2017	2016
	For the period from July 2 to September 30	For the period from June 26 to September 24	For the period from January 1 to September 30	For the period from January 1 to September 24
(percentage of net revenues)				
Net revenues*	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	74.1 %	74.3 %	76.3 %	76.2 %
Occupancy costs	4.8 %	4.8 %	4.4 %	4.8 %
Other operational costs <sup>(1)</sup>	8.6 %	8.5 %	8.6 %	8.9 %
Share of earnings in associates	— %	— %	— %	(0.1)%
Adjusted EBITDA*	12.5 %	12.4 %	10.7 %	10.2 %
Acquisition and integration costs*	0.7 %	0.4 %	0.4 %	0.5 %
Amortization of intangible assets	1.6 %	1.7 %	1.6 %	1.7 %
Depreciation of property, plant and equipment	1.5 %	1.6 %	1.5 %	1.5 %
Financial expenses	0.8 %	0.8 %	0.7 %	0.8 %
Share of depreciation of associates	— %	— %	— %	— %
Income tax expenses	2.2 %	2.5 %	1.8 %	1.6 %
Net earnings	5.7 %	5.4 %	4.7 %	4.1 %

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

(1) Other operational costs include operation exchange loss or gain and interest income

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

Personnel costs, for both the quarter and year-to-date periods, as a percentage of net revenues, remained stable compared to the same periods in 2016.

Occupancy costs, as a percentage of net revenues, for the quarter, are comparable to 2016. The decrease in occupancy costs, as a percentage of net revenues, for the year-to-date period, was mainly due to real estate consolidation resulting from past and present acquisition-related business integrations. The right-sizing of our Canadian operations, carried out in the latter half of 2016, also had an impact.

Other operational costs, as a percentage of net revenues, for the quarter, are comparable to 2016. The decrease in other operational costs, as a percentage of net revenues, for the year-to-date period, stemming from cost containment efforts and acquisition related synergies.

Acquisition and integration costs are items of financial performance which the Corporation believes should be excluded in understanding the underlying operational financial performance achieved, as they can vary significantly when comparing periods. The Corporation incurred acquisition and integration costs of \$16.1 million for the nine-month period ended September 30, 2017. These costs pertained mainly to real-estate consolidation costs related to the MMM Group Limited ("MMM") acquisition (Q4 2015), as well as to the continuing integration of Mouchel Limited ("Mouchel"), acquired in Q4 2016.

Finally, the Corporation also incurs expenses such as amortization of intangible assets and depreciation of property, plant and equipment. For both the quarter and year-to-date periods, these expenses remained stable when compared to 2016.

## 8.5 ADJUSTED EBITDA BY SEGMENT

(in millions of dollars, except percentages)	Q3 2017				
	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	\$255.1	\$389.4	\$457.9	\$183.8	\$1,286.2
Adjusted EBITDA*					\$160.4
Global Corporate costs					\$14.3
Adjusted EBITDA before Global Corporate costs*	\$33.1	\$69.5	\$50.2	\$21.9	\$174.7
Adjusted EBITDA Margin before Global Corporate costs*	13.0%	17.8%	11.0%	11.9%	13.6%

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

(in millions of dollars, except percentages)	Q3 2016				
	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	\$238.8	\$386.4	\$391.8	\$172.8	\$1,189.8
Adjusted EBITDA*					\$147.2
Global Corporate costs					\$11.4
Adjusted EBITDA before Global Corporate costs*	\$26.4	\$67.9	\$44.6	\$19.7	\$158.6
Adjusted EBITDA Margin before Global Corporate costs*	11.1%	17.6%	11.4%	11.4%	13.3%

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

(in millions of dollars, except percentages)	YTD 2017				
	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	\$727.2	\$1,157.4	\$1,453.9	\$539.5	\$3,878.0
Adjusted EBITDA*					\$415.2
Global Corporate costs					\$43.0
Adjusted EBITDA before Global Corporate costs*	\$85.8	\$172.5	\$145.2	\$54.7	\$458.2
Adjusted EBITDA Margin before Global Corporate costs*	11.8%	14.9%	10.0%	10.1%	11.8%

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

(in millions of dollars, except percentages)	YTD 2016				
	Canada	Americas	EMEIA	APAC	Total
Net Revenues*	\$707.1	\$1,082.0	\$1,285.2	\$493.1	\$3,567.4
Adjusted EBITDA*					\$363.7
Global Corporate costs					\$38.7
Adjusted EBITDA before Global Corporate costs*	\$67.9	\$162.0	\$128.8	\$43.7	\$402.4
Adjusted EBITDA Margin before Global Corporate costs*	9.6%	15.0%	10.0%	8.9%	11.3%

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

The increase in total adjusted EBITDA before Global Corporate costs, in dollars, for both the quarter and year-to-date periods, was mainly due to organic and acquisition growth in net revenues. The increase in adjusted EBITDA margin before Global Corporate costs, for both the quarter and year-to-date periods, was mainly due to the strong performances from our Canadian and APAC operations.

The increase in adjusted EBITDA before Global Corporate costs and adjusted EBITDA margin before Global Corporate costs for our Canadian operating segment, for both the quarter and year-to-date periods, were anticipated and slightly ahead of Management's expectations. Organic growth in net revenues and the right-sizing of the segment's operations, initiated in Q2 2016, were the catalysts which led to the strong performance for both periods.

The increase in adjusted EBITDA before Global Corporate costs for our Americas region, for both the quarter and year-to-date periods, compared to 2016, stemmed mainly from organic growth in net revenues experienced by our US operations.

The adjusted EBITDA margins before Global Corporate costs for our Americas region, for the quarter and year-to-date periods, were comparable to 2016.

The increases in adjusted EBITDA before Global Corporate costs for our EMEIA region, for both the quarter and year-to-date periods, compared to 2016, stemmed from robust organic growth in net revenues experienced by the operating segment as a whole, as well as from acquisitions made in the UK and the Nordics regions in 2016 and 2017.

The decrease in adjusted EBITDA margin before Global Corporate costs for our EMEIA region, for the quarter, was mainly attributable to lower utilization rates achieved by our Swedish operations, mainly as a result of increased headcount to keep up with the significant organic growth experienced by the region. On a year-to-date basis, adjusted EBITDA margin before Global Corporate costs was comparable to 2016.

The increases in adjusted EBITDA before Global Corporate costs for our APAC region, for both the quarter and year-to-date periods, compared to 2016, stemmed mainly from our Australian operations' organic growth in net revenues.

The increases in adjusted EBITDA margin before Global Corporate costs for the APAC operating segment, for both the quarter and nine-month period ending September 30, 2017, were mainly due to project wins and higher utilization rates experienced by our Australian operations. Our Asian operations' results were in line with our expectations.

Global Corporate costs for the quarter and year-to-date periods, although higher when compared to the same periods in 2016, were in line with the Corporation's 2017 Global Corporate costs outlook run rate.

Numerous factors such as seasonality, project mix, pricing, competitive environments, project execution, cost increases, foreign exchange and employee productivity may have an impact on adjusted EBITDA margin before Global Corporate costs. As such, adjusted EBITDA margin before Global Corporate costs should be viewed as a year-over-year performance metric, as opposed to a quarter-over-quarter metric.

## 8.6 FINANCIAL EXPENSES

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

Financial expenses, expressed as a percentage of net revenues, were stable when compared to the same periods in 2016.

## 8.7 INCOME TAXES

For Q3 2017, an income tax expense of \$28.2 million was recorded on earnings before income taxes of \$100.8 million, representing an effective tax rate of 28.0%, compared to an effective tax rate of 32.0% for Q3 2016.

For the nine-month period ended September 30, 2017, an income tax expense of \$69.9 million was recorded on earnings before income taxes of \$252.9 million, representing an effective tax rate of 27.6%, compared to an effective tax rate of 28.6% for the same period in 2016.

The decrease in effective tax rate for Q3 2017, compared to Q3 2016, was mainly due to the recording of prior period adjustments which negatively impacted Q3 2016. For the nine-month period ended September 30, 2017, the effective tax rate was comparable to the same period in 2016 and in line with Management's previously disclosed and reiterated 2017 outlook.

## 8.8 NET EARNINGS (LOSS) AND NET EARNINGS (LOSS) PER SHARE

For Q3 2017, the Corporation's net earnings attributable to shareholders were \$72.6 million, or \$0.71 per share on a diluted basis, compared to \$63.3 million, or \$0.63 per share on a diluted basis, for the same period in 2016. The increases in net earnings attributable to shareholders and in net earnings attributable to shareholders per share were mainly due to growth in net revenues and improvement in adjusted EBITDA margins.

For the nine-month period ended September 30, 2017, the Corporation's net earnings attributable to shareholders were \$183.0 million, or \$1.79 per share on a diluted basis, compared to \$143.1 million, or \$1.43 per share on a diluted basis, for the same period in 2016. The increases in net earnings attributable to shareholders and in net earnings attributable to shareholders per share were attributable to the same factors as specified for the quarter.

Net earnings (loss) per share is a commonly used metric to measure a corporation's performance. However, Management believes that in the context of highly acquisitive companies or consolidating industries such as in engineering and construction, adjusted net (loss) earnings per share, adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions per share (due to the application of various accounting policies in relation to the allocation of purchase price to goodwill and intangible assets), funds from operations per share and free cash flow per share, are more effective measures to assess performance against its peer group. These measures are reviewed in sections 8.9 and 8.10.

## 8.9 RECONCILIATION OF NET EARNINGS (LOSS), ADJUSTED NET EARNINGS (LOSS) AND ADJUSTED NET EARNINGS (LOSS) EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS

	Q3		YTD	
	2017	2016	2017	2016
	For the period from July 2 to September 30	For the period from June 26 to September 24	For the period from January 1 to September 30	For the period from January 1 to September 24
<i>(In millions of dollars, except number of shares and per share data)</i>				
<b>Net earnings (loss) attributable to shareholders</b>	<b>\$72.6</b>	<b>\$63.3</b>	<b>\$183.0</b>	<b>\$143.1</b>
Acquisition and integration costs*	\$9.4	\$5.3	\$16.1	\$17.8
Income taxes related to acquisition and integration costs	\$(2.5)	\$(1.7)	\$(4.4)	\$(5.1)
<b>Adjusted net (loss) earnings*</b>	<b>\$79.5</b>	<b>\$66.9</b>	<b>\$194.7</b>	<b>\$155.8</b>
<b>Adjusted net earnings (loss) per share*</b>	<b>\$0.77</b>	<b>\$0.66</b>	<b>\$1.90</b>	<b>\$1.56</b>
Amortization of intangible assets related to acquisitions	\$14.5	\$15.1	\$44.8	\$46.3
Income taxes related to amortization of intangible assets related to acquisitions	\$(4.1)	\$(4.8)	\$(12.4)	\$(13.2)
<b>Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions *</b>	<b>\$89.9</b>	<b>\$77.2</b>	<b>\$227.1</b>	<b>\$188.9</b>
<b>Adjusted net earnings (loss) excluding amortization of intangible assets related to acquisitions per share*</b>	<b>\$0.88</b>	<b>\$0.77</b>	<b>\$2.22</b>	<b>\$1.89</b>
Basic weighted average number of shares	102,684,023	100,715,048	102,234,641	100,192,698

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

Adjusted net earnings stood at \$79.5 million, or \$0.77 per share in Q3 2017, compared to \$66.9 million, or \$0.66 per share in Q3 2016. The increases in adjusted net earnings and in adjusted net earnings per share were mainly due to growth in net revenues and improvement in adjusted EBITDA margins.

For the nine-month period ended September 30, 2017, adjusted net earnings stood at \$194.7 million, or \$1.90 per share, compared to \$155.8 million, or \$1.56 per share compared to the same period in 2016. The increases in adjusted net earnings and in adjusted net earnings per share were attributable to the same factors as specified for the quarter.

Adjusted net earnings, excluding amortization of intangible assets related to acquisitions, stood at \$89.9 million, or \$0.88 per share in Q3 2017 and \$227.1 million, or \$2.22 per share for the nine-month period ended September 30, 2017, compared to \$77.2 million, or \$0.77 per share and \$188.9 million, or \$1.89 per share, respectively, for the comparable periods in 2016. The increases for both metrics, for both the quarter and year-to-date period, were due to growth in net revenues and improvement in adjusted EBITDA margins.

## 8.10 FUNDS FROM OPERATIONS AND FREE CASH FLOW

	Q3		YTD	
	2017	2016	2017	2016
	For the period from July 2 to September 30	For the period from June 26 to September 24	For the period from January 1 to September 30	For the period from January 1 to September 24
(in millions of dollars, except per share data and number of shares)				
Cash flows from operating activities	\$39.4	\$10.5	\$65.0	\$82.9
Excluding:				
Change in non-cash working capital items	\$(91.9)	\$(99.3)	\$(256.8)	\$(193.4)
<b>Funds from operations*</b>	<b>\$131.3</b>	<b>\$109.8</b>	<b>\$321.8</b>	<b>\$276.3</b>
<b>Funds from operations per share*</b>	<b>\$1.28</b>	<b>\$1.09</b>	<b>\$3.15</b>	<b>\$2.76</b>
Including:				
Change in non-cash working capital items	\$(91.9)	\$(99.3)	\$(256.8)	\$(193.4)
Less:				
Net capital expenditures	\$19.5	\$33.6	\$67.5	\$91.8
<b>Free cash flow*</b>	<b>\$19.9</b>	<b>(\$23.1)</b>	<b>(\$2.5)</b>	<b>(\$8.9)</b>
<b>Free cash flow per share*</b>	<b>\$0.19</b>	<b>(\$0.23)</b>	<b>(\$0.02)</b>	<b>(\$0.09)</b>
Basic weighted average number of shares	102,684,023	100,715,048	102,234,641	100,192,698

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

### 8.10.1 FUNDS FROM OPERATIONS

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

In Q3 2017, the Corporation generated funds from operations of \$131.3 million, or \$1.28 per share, compared to \$109.8 million or \$1.09 per share, in Q3 2016. The increase in funds from operations was mainly due to higher net earnings stemming from organic and acquisition growth in net revenues, as well as from adjusted EBITDA margin improvement.

For the nine-month period ended September 30, 2017, the Corporation generated funds from operations of \$321.8 million, or \$3.15 per share, compared to \$276.3 million, or \$2.76 per share, for the same period in 2016. The increase in funds from operations was attributable to the same factors as specified for the quarter.

### 8.10.2 FREE CASH FLOW

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

For the third quarter of 2017, the Corporation's generated free cash flow of \$19.9 million, or \$0.19 per share, compared to a use of cash of \$23.1 million, or \$0.23 per share for Q3 2016. The increase in free cash flow was mainly due to higher net earnings generated and lower net capital expenditures incurred in Q3 2017 compared to Q3 2016.

For the nine-month period ended September 30, 2017, the Corporation's free cash flow was negative \$2.5 million, or \$0.02 per share compared to a negative free cash flow of \$8.9 million, or \$0.09 per share for the same period in 2016. The increase in free cash flow was mainly due to a combination of an decrease in capital

expenditures, partially offset by an increase in income taxes paid when comparing the year-to date period of 2017 to 2016.

The free cash flow metric should be reviewed year-over-year as opposed to quarter-over-quarter as the timing of investments in capital expenditure initiatives and management of working capital can have an impact in the shorter term. As such, free cash flow, when viewed on a trailing twelve-month basis, stood at \$251.3 million and 105.1% of net earnings.

## 9 LIQUIDITY

	Q3		YTD	
	2017	2016	2017	2016
	For the period from July 2 to September 30	For the period from June 26 to September 24	For the period from January 1 to September 30	For the period from January 1 to September 24
(in millions of dollars)				
Cash flows generated from (used in) operating activities	\$39.4	\$10.5	\$65.0	\$82.9
Cash flows generated from (used in) financing activities	\$(9.4)	\$(5.3)	\$23.7	\$15.2
Cash flows from (used in) investing activities	\$(65.3)	\$(49.5)	\$(134.2)	\$(117.1)
Effect of exchange rate change on cash	\$(7.3)	\$4.3	\$(5.2)	\$(7.2)
<b>Net change in cash position</b>	<b>\$(42.6)</b>	<b>\$(40.0)</b>	<b>\$(50.7)</b>	<b>\$(26.2)</b>
<b>Dividends paid</b>	<b>\$18.0</b>	<b>\$16.8</b>	<b>\$52.2</b>	<b>\$51.7</b>
<b>Net capital expenditures</b>	<b>\$19.5</b>	<b>\$33.6</b>	<b>\$67.5</b>	<b>\$91.8</b>

### 9.1 OPERATING ACTIVITIES

Cash generated from operating activities in Q3 2017 was \$39.4 million, compared to \$10.5 million in Q3 2016. The increase in cash generated from operating activities was mainly due to higher net earnings and a positive variation in changes in non-cash working capital items.

Cash generated from operating activities for the nine-month period ended September 30, 2017 was \$65.0 million, compared to \$82.9 million for the same period in 2016. The decrease in cash generated from operating activities was mainly due to a negative variation in changes in non-cash working capital, partially offset by higher net earnings.

### 9.2 FINANCING ACTIVITIES

For the third quarter of 2017, cash used for financing activities was \$9.4 million, compared to \$5.3 million in Q3 2016. During the quarter, the Corporation drew \$18.7 million from its credit facility, repaid \$10.1 million in miscellaneous liabilities, including interest and paid dividends to shareholders of \$18.0 million. In Q3 2016, the Corporation drew \$19.8 million from the credit facility, repaid miscellaneous liabilities, including interest and finance costs of \$8.3 million and paid dividends to shareholders totaling \$16.8 million.

For the nine-month period ended September 30, 2017, cash generated from financing activities was \$23.7 million, compared to \$15.2 million for the same period in 2016. During the nine-month period ended September 30, 2017, the Corporation drew \$100.2 million from its credit facility, issued shares for \$2.3 million, repaid \$26.6 million in miscellaneous liabilities, including interest and paid dividends to shareholders

of \$52.2 million. For the same period in 2016, the Corporation drew \$93.1 million from the credit facility, repaid miscellaneous liabilities, including interest and finance costs of \$24.9 million and paid dividends to shareholders and a non-controlling interest totaling \$53.0 million.

## 9.3 INVESTING ACTIVITIES

For the third quarter of 2017, cash used for investing activities was \$65.3 million, compared to \$49.5 million in Q3 2016. The Corporation disbursed cash pertaining to past and present year/s business acquisitions of \$46.1 million and acquired \$19.8 million in equipment and intangible assets in Q3 2017, compared to \$14.8 million and \$33.8 million for acquisitions and equipment and intangible assets, respectively, for the same period in 2016.

For the nine-month period ended September 30 2017, cash used for investing activities was \$134.2 million, compared to \$117.1 million for the same period in 2016. During the nine-month period ended September 30, 2017, the Corporation disbursed cash pertaining to past and present year/s business acquisitions of \$64.1 million and acquired \$69.7 million in equipment and intangible assets, compared to \$23.8 million and \$93.8 million for acquisitions and equipment and intangible assets, respectively, for the same period in 2016.

## 9.4 NET DEBT

(in millions of dollars)	2017	2016
	As at September 30	As at December 31
Financial liabilities <sup>(1)</sup>	\$1,164.0	\$1,082.1
Less: Cash	\$(180.7)	\$(230.8)
Net debt*	\$983.3	\$851.3
Trailing twelve months adjusted EBITDA	\$550.5	\$499.0

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

(1) Financial liabilities consist of long-term debt and other financial liabilities, including current portions.

As at September 30, 2017, 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 \$983.3 million and a trailing twelve months net debt to adjusted EBITDA ratio of 1.8x.

## 9.5 DIVIDENDS

On August 7, 2017, the Corporation declared a quarterly dividend of \$0.375 per common share to holders of common shares on record as of September 30, 2017, which was paid on October 16, 2017. As at September 30, 2017, 102,752,452 shares were issued and outstanding, compared to 100,838,682 as at September 24, 2016. During the third quarter of 2017, part of the second quarter dividend paid was reinvested into 389,188 common shares under the DRIP. The aggregate dividends declared in the third quarter of 2017 were \$38.5 million, compared to \$38.4 million for the second quarter of 2017. Holders of 54,265,253 shares, representing 52.8% of all outstanding shares as at September 30, 2017, elected to participate in the DRIP. As a result, from the total dividends paid on October 16, 2017, \$20.3 million was reinvested in shares of the Corporation. The net cash outflow, on October 16, 2017, was \$18.2 million for the third quarter dividend payment.

The board of directors of the Corporation (the "Board") has determined that the current level of quarterly dividend is appropriate based on the Corporation's current earnings and operational financial requirements. The dividend is currently expected to remain at this level subject to the Board's ongoing assessment of the Corporation's future requirements, financial performance, liquidity, and other factors that the Board may deem relevant. The actual amount of any dividend, as well as each declaration date, record date and payment date is subject to the discretion of the Board. Some information in this section constitutes forward-looking information. Please refer to the "Forward-Looking Statements" section of this MD&A.

## 9.6 STOCK OPTIONS

As at November 7, 2017, 672,529 stock options were outstanding at exercise prices ranging from \$35.12 to \$49.28.

## 9.7 CAPITAL RESOURCES

(in millions of dollars)	2017	2016
	As at September 30	As at December 31
Cash	\$180.7	\$230.8
Available syndicated credit facility	\$673.1	\$495.8
Other credit facilities	\$17.5	\$19.4
<b>Available short-term capital resources</b>	<b>\$871.3</b>	<b>\$746.0</b>

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

## 9.8 CREDIT FACILITY

The Corporation has in place, as at September 30, 2017, a credit facility with a syndication of financial institutions providing for a maximum amount of US\$1,500.0 million. The credit facility is available (i) for general corporate purposes, working capital and capital expenditure requirements of the Corporation, and (ii) for financing future business acquisitions. Under this credit facility, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated net debt to consolidated adjusted EBITDA and the fixed charge coverage ratios. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facility. All covenants were met as at September 30, 2017.

# 10 EIGHT QUARTER SUMMARY

	2017				2016			2015	
	Total	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(in millions of dollars, except per share data)	Trailing twelve months	For the period from July 2 to September 30	For the period from April 2 to July 1	For the period from January 1 to April 1	For the period from September 25 to December 31	For the period from June 26 to September 24	For the period from March 27 to June 25	For the period from January 1 to March 26	For the period from September 27 to December 31
<b>Results of operations</b>									
Revenues	\$6,786.3	\$1,636.8	\$1,717.2	\$1,633.9	\$1,798.4	\$1,552.5	\$1,545.7	\$1,483.0	\$1,660.1
Net revenues*	\$5,205.7	\$1,286.2	\$1,315.9	\$1,275.9	\$1,327.7	\$1,189.8	\$1,215.5	\$1,162.1	\$1,248.2
Adjusted EBITDA*	\$550.5	\$160.4	\$140.3	\$114.5	\$135.3	\$147.2	\$125.0	\$91.5	\$124.0
Net earnings (loss) attributable to shareholders	\$239.0	\$72.6	\$62.8	\$47.6	\$56.0	\$63.3	\$52.2	\$27.6	\$14.7
Basic net earnings (loss) per share		\$0.71	\$0.61	\$0.47	\$0.55	\$0.63	\$0.52	\$0.28	\$0.15
Diluted net earnings (loss) per share		\$0.71	\$0.61	\$0.47	\$0.55	\$0.63	\$0.52	\$0.28	\$0.15
Backlog*		\$5,963.9	\$5,864.6	\$5,985.3	\$5,668.8	\$5,371.2	\$5,667.4	\$5,529.7	\$5,199.7
<b>Dividends</b>									
Dividends declared	\$153.1	\$38.5	\$38.4	\$38.2	\$38.0	\$37.8	\$37.6	\$37.4	\$37.2
Dividends declared, per share	\$1.50	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375	\$0.375

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

In each of the last eight quarters, the Corporation declared dividends of \$0.375 per share.

# 11 GOVERNANCE

## 11.1 INTERNAL CONTROL OVER FINANCIAL REPORTING

The Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and have caused them to be designed under their supervision to provide reasonable assurance that:

- Material information related to the Corporation is made known to them by others, particularly during the period in which the 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 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.

The CEO and the CFO have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of the POCH business acquisition which was completed on July 15, 2017, as permitted by the Canadian Securities Administrators' National Instrument 52-109 for 365 days following an acquisition.

There were no changes in the Corporation's ICFR that occurred during the period beginning on July 2, 2017 and ended on September 30, 2017, 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.

## 11.2 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board has oversight responsibilities for reported information. Accordingly, the Audit Committee and the Board of WSP have reviewed and approved the unaudited interim condensed consolidated financial statements for the period ended September 30, 2017, and this MD&A, before their publication.

## **12 SIGNIFICANT ACCOUNTING POLICIES**

The Corporation's unaudited interim condensed consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board applicable to the preparation of the interim financial statements, including IAS 34, "Interim Financial Reporting," and are based on the same accounting policies as the ones used in the preparation of the Corporation's audited consolidated financial statements for the year ended December 31, 2016. Please refer to the Corporation's 2016 audited consolidated financial statements for more information about the significant accounting principles and the significant estimates used to prepare the financial statements.

## **13 FUTURE ACCOUNTING STANDARDS**

The Corporation's audited consolidated financial statements for the year ended December 31, 2016, and the related MD&A presented the future accounting standards issued by the IASB coming into force in the upcoming years.

## **14 FINANCIAL INSTRUMENTS**

The Corporation's 2016 audited consolidated financial statements described in note 25 the risks arising from financial instruments and the way these risks are managed by the Corporation. For the first nine months of 2017, there were no material changes to the risks related to financial instruments and no significant changes in the financial instruments classification. Furthermore, the methodology used to determine the fair value of financial instruments has not changed during the first nine months of 2017.

## **15 RELATED PARTY TRANSACTIONS**

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

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

The Corporation conducts certain activities in joint arrangements which qualify as joint operations. These joint operations are accounted for using the proportionate consolidation method, which results in the Corporation recording its pro rata share of the assets, liabilities, revenues, costs and cash flows of each of these joint operations.

# 16 OFF-BALANCE SHEET AGREEMENTS

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

# 17 OUTLOOK

This outlook was provided on February 28, 2017, as part of the 2016 MD&A in relation to the year ended December 31, 2016 financial results to assist analysts and shareholders in formalizing their respective views on 2017. The reader is cautioned that using this information for other purposes may be inappropriate. These measures are subject to change. The information set out in this section constitutes forward-looking information. Please refer to the “Forward-Looking Statements” section of this MD&A.

The following table summarizes our expected ranges for various measures for 2017 as at February 28, 2017:

	2017 TARGET RANGE
Net revenues*	Between \$5,000 million and \$5,300 million
Adjusted EBITDA*	Between \$510 million and \$560 million
Seasonality and adjusted EBITDA* fluctuations	Q1: 20% to 22% Q2: 24% to 26% Q3: 28% to 30% Q4: 24% to 26%
Tax rate	27% to 29%
DSO*	80 to 85 days
Amortization of intangible assets related to acquisitions	Between \$65 million and \$75 million
Capital expenditures	Between \$120 million and \$130 million
Net debt to adjusted EBITDA*	1.5x to 2.0x
Acquisition and integration costs*	Between \$15 million and \$25 million <sup>1)</sup>

\* Non-IFRS measures are described in the “Glossary” section.

1) Due mainly to personnel and real estate integration costs related to the acquisition of Mouchel completed in Q4 2016, and to real estate integration costs pertaining to the MMM acquisition completed in Q4 2015.

The target ranges presented in the preceding table have been prepared assuming there will be no fluctuations in foreign exchange rate in markets in which the Corporation operates. In the 2017 forecast, the Corporation has considered numerous economic and market assumptions regarding the competition, political environment and economic performance of each region where it operates. In preparing its 2017 forecast, the Corporation also assumed that economic factors and market competition in regions where it operates will remain stable.

The forecast has been prepared using tax rates enacted as of December 31, 2016, in the countries in which the Corporation currently operates and assumed no change in the tax law applicable to such countries. In the 2017 forecast, the Corporation has not considered any dispositions, mergers, business combinations and other transactions that may occur after the publication of the February 28, 2017 MD&A. The Corporation cautions that the assumptions used to prepare the 2017 forecast could be incorrect or inaccurate. Accordingly, the Corporation’s actual results could differ materially from the Corporation’s expectations as set out in this MD&A.

The Corporation is confident it will be able to deliver as planned and therefore reiterates its full year 2017 outlook.

# 18 FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, the Corporation makes or provides statements or information in this MD&A that are not based on historical facts and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws. These statements relate to future events or future performance, including future-oriented financial information, and reflect the expectations of Management regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation or its industry.

This MD&A contains forward-looking statements, including the Outlook in section 17. 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 November 7, 2017, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements.

In evaluating these forward-looking statements, investors should specifically consider various factors, including but not limited to the following risk factors discussed in greater detail in section 21 of the 2016 MD&A: "Ability to Maintain Profitability"; "Organic Business Growth"; "Acquisition Integration and Management"; "Future Acquisitions and Integrations"; "Challenges Associated with Size"; "Global Operations"; "Changes to Backlog"; "Joint Arrangements"; "Economic Environment"; "Revenues from Contracts with Government Agencies"; "Risks Associated with Professional Services Contracts"; "Reliance on Suppliers and Subcontractors"; "Dependence on Clients"; "Major Project Delivery"; "Qualification Work"; "Reliance on Management and Key Professionals"; "Availability and Retention of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Collective Bargaining and Labour Disputes"; "Insurance Limits"; "Environmental, Health and Safety Risks and Hazards"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Interruption to Systems or Network Infrastructure"; "Reputational Risk"; "Non-Compliance with Laws or Regulations"; "Risk of Future Legal Proceedings"; "Controls and Disclosure"; "Corporate Structure"; "Competition in the Industry"; "Scope of Regulations"; "Increased Awareness of Environmental Factors"; "Deterioration of Financial Position or Net Cash Position"; "Working Capital Requirements"; "Accounts Receivable"; "Increased Indebtedness"; "Impairment of Goodwill"; "Variability of Financial Results"; "Foreign Currency Exposure"; "Taxes"; "Underfunded Defined Benefits Obligations"; "Potential Dilution"; "Payment of Dividends" as well as other risks detailed from time to time in reports filed by the Corporation with securities regulators, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

Forward-looking statements made by the Corporation are based on a number of assumptions believed by the Corporation to be reasonable as at November 7, 2017, including assumptions about general economic and political conditions; the state of the global economy and the economies of the regions in which the Corporation operates; the state of and access to global and local capital and credit markets; interest rates; working capital requirements; the collection of accounts receivable; the Corporation obtaining new contract awards; the type of contracts entered into by the Corporation; the anticipated margins under new contract awards; the utilization of the Corporation's workforce; the ability of the Corporation to attract new clients; the ability of the Corporation to retain current clients; changes in contract performance; project delivery; the Corporation's competitors; the ability of the Corporation to successfully integrate acquired businesses; the acquisition and integration of businesses in the future; the Corporation's ability to manage growth; external factors affecting the global operations of the Corporation; the state of the Corporation's backlog; the joint arrangements into which the Corporation has or will enter; capital investments made by the public and private sectors; relationships with suppliers and subcontractors; relationships with management; key professionals and other employees of the Corporation; the maintenance of sufficient insurance; the management of environmental and health and safety risk; the sufficiency of the Corporation's current and planned information systems, communications technology and other technology; compliance with laws and regulations; future legal proceedings; the sufficiency of internal and disclosure controls; the regulatory environment; impairment of goodwill; foreign currency fluctuation; the tax legislation and regulations to which the Corporation is subject and the state of the Corporation's benefit plans. Other assumptions are set out throughout this MD&A (particularly, in the section entitled Outlook). If these assumptions prove to be inaccurate, the Corporation's actual results could differ materially from those expressed or implied in such forward-looking statements.

Actual results and events may be significantly different from what we currently expect because of the risks associated with our business, industry and global economy and of the assumptions made in relation to these risks. As such, there can be no assurance that actual results will be consistent with forward-looking statements. The Corporation does not necessarily update or revise forward-looking information even if new information becomes available, unless legislation requires us to do so. Readers should not place undue reliance on forward-looking statements.

## **19 RISK FACTORS**

The Corporation's results of operations, business prospects, financial position and achievement of strategic plan are subject to a number of risks and uncertainties and are affected by a number of factors which could have a material adverse effect on the Corporation's business, financial condition or future prospects. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of the shares or adversely affect the Corporation's ability to declare dividends on the shares. The Corporation's risks and uncertainties have not materially changed from those described in the 'Risk Factors' section of the 2016 MD&A.

## 20 ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on our Website at [www.wsp.com](http://www.wsp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). The Annual Information Form of the Corporation for the year ended December 31, 2016, is available on these websites.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol “WSP”. As at September 30, 2017, the Corporation had 102,752,452 common shares outstanding. As at November 7, 2017, the Corporation had 103,151,462 common shares outstanding following the share issuance realized under the DRIP after the payment of the third quarter dividend in October 2017.

The Corporation has no other shares outstanding.

## 21 GLOSSARY

### NET REVENUES

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

### EBITDA

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

### ADJUSTED EBITDA

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

### ADJUSTED EBITDA MARGIN

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted EBITDA margin is not an IFRS measure.

## ADJUSTED EBITDA BEFORE GLOBAL CORPORATE COSTS

Adjusted EBITDA before Global Corporate costs is defined as adjusted EBITDA excluding Global Corporate costs. Global Corporate costs are expenses and salaries related to centralized functions, such as global finance, human resources and technology teams, which are not allocated to operating segments. This measure is not an IFRS measure. It provides Management with comparability from one region to the other.

## ADJUSTED EBITDA MARGIN BEFORE GLOBAL CORPORATE COSTS

Adjusted EBITDA margin before Global Corporate costs is defined as adjusted EBITDA before Global Corporate costs expressed as a percentage of net revenues. Adjusted EBITDA margin before Global Corporate costs is not an IFRS measure. It provides Management with comparability from one region to the other.

## ADJUSTED NET EARNINGS (LOSS) AND ADJUSTED NET EARNINGS (LOSS) PER SHARE

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

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

## ADJUSTED NET EARNINGS (LOSS) EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS AND ADJUSTED NET EARNINGS (LOSS) EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS PER SHARE

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

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

## ACQUISITION AND INTEGRATION COSTS

Acquisition and integration costs pertain to transaction and integration costs related to business acquisitions (up to 24 months from the date of acquisition) as well as any gains or losses made on disposals of non-core assets. In 2015, acquisition and integration costs included gains made on the disposal of equity investments in associates. Acquisition and integration costs is not an IFRS measure. Acquisition and integration costs are items of financial performance which the Corporation believes should be excluded in understanding the underlying operational financial performance achieved by the Corporation.

## BACKLOG

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

## FUNDS FROM OPERATIONS AND FUNDS FROM OPERATIONS PER SHARE

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

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

## FREE CASH FLOW AND FREE CASH FLOW PER SHARE

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

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

## DAYS SALES OUTSTANDING ("DSO")

DSO is not an IFRS measure. It represents the average number of days to convert our trade receivables (net of sales taxes) and costs and anticipated profits in excess of billings into cash, net of billings in excess of costs and anticipated profits. The Corporation's method of calculating DSO may differ from the methods used by other issuers and, accordingly, may not be comparable to similar measures used by other issuers.

## NET DEBT TO ADJUSTED EBITDA

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