

# AECOM

## Investor Overview

February 2023

### NEOM BAY AIRPORT Kingdom of Saudi Arabia

AECOM has been selected to provide project management for master planning, design and construction services for the 50-million-passenger new NEOM International Airport .

Delivering a better world

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# Disclosures

## Forward-Looking Statements

All statements in this communication other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, coronavirus impacts, risk profile and investment strategies, and any statements regarding future economic conditions or performance, and the expected financial and operational results of AECOM. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, but are not limited to, the following: our business is cyclical and vulnerable to economic downturns and client spending reductions; limited control over operations that run through our joint venture entities; liability for misconduct by our employees or consultants; failure to comply with laws or regulations applicable to our business; maintaining adequate surety and financial capacity; potential high leverage and inability to service our debt and guarantees; ability to continue payment of dividends; exposure to political and economic risks in different countries, including tariffs; currency exchange rate and interest fluctuations; retaining and recruiting key technical and management personnel; legal claims; inadequate insurance coverage; environmental law compliance and adequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; AECOM Capital real estate development projects; managing pension cost; cybersecurity issues, IT outages and data privacy; risks associated with the expected benefits and costs of the sale of our Management Services and self-perform at-risk civil infrastructure, power construction and oil and gas construction businesses, including the risk that any contingent purchase price adjustments from those transactions could be unfavorable and result in lower aggregate cash proceeds and any future proceeds owed to us under those transactions could be lower than we expect; as well as other additional risks and factors that could cause actual results to differ materially from our forward-looking statements set forth in our reports filed with the Securities and Exchange Commission. Any forward-looking statements are made as of the date hereof. We do not intend, and undertake no obligation, to update any forward-looking statement.

## Non-GAAP Financial Information

This communication contains financial information calculated other than in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company believes that non-GAAP financial measures such as adjusted EPS, adjusted EBITDA, adjusted net/operating income, adjusted tax rate, net service revenue and free cash flow provide a meaningful perspective on its business results as the Company utilizes this information to evaluate and manage the business. We use adjusted EBITDA and adjusted EPS to exclude the impact of certain items, such as amortization expense and taxes to aid investors in better understanding our core performance results. We use free cash flow to represent the cash generated after capital expenditures to maintain our business. We present net service revenue to exclude subcontractor costs from revenue to provide investors with a better understanding of our operational performance. We present adjusted operating margin to reflect segment operating performance of our Americas and International segments, excluding AECOM Capital.

Our non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of these non-GAAP measures is found in the Regulation G Information tables at the back of this release. The Company is unable to reconcile its non-GAAP financial guidance and long-term financial targets due to uncertainties in these non-operating items as well as other adjustments to net income.

# Our Value Proposition

We are the world's leading infrastructure consulting firm

- Unrivaled **global technical expertise** for the world's most iconic program
- Widening **competitive advantages**
- Culture of collaboration to **Win What Matters**
- High-returning **organic growth** focus
- **3 secular megatrends**
- Investing while **expanding margins**
- **Lower risk** business model
- **Returns-driven** capital allocation policy
- Strong **balance sheet and consistently strong cash flow conversion**

## UNPARALLELED TECHNICAL EXPERTISE

**ENR**

Source: 2022 ENR Rankings, reflecting global revenue.

### Ranked #1

Transportation design firm  
Facilities design firm  
Environmental engineering firm  
Environmental science firm  
Green design firm

### Ranked #2

Environmental firm

### Ranked #3

Water design firm

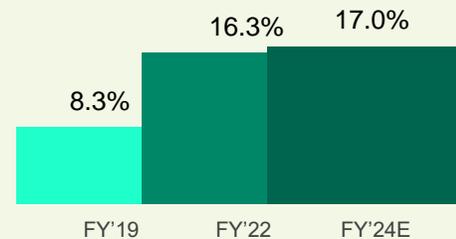
### Ranked #5

Program management

### Ranked #6

Green contractor

## DELIVERING SUPERIOR RETURNS ON CAPITAL



ROIC<sup>1</sup>

## DRIVING PER SHARE VALUE CREATION



Adjusted<sup>2</sup> EPS

# Our Competitive Advantages

Capitalizing on our strengths to deliver superior value for our stakeholders



## Expanding Competitive Advantages

- **Collaborating globally** through our Technical Practice Networks to fully capture the strength of our teams
- Delivering our **global technical expertise** to create unrivaled technical solutions for clients
- Investing in Digital AECOM to lead the **digital transformation** in our industry

## Investing in Our Teams and Technical Excellence

- Expanded **addressable market and client value proposition** with complementary Program Management and Advisory services
- Enhanced employee value proposition through **industry-leading benefits** and **career development opportunities**

## Focusing on Returns

- Our ROIC focus prioritizes our time and capital on the **highest value pursuits** in our largest markets
- Winning what matters to expand the **long-term earnings power** of the business and transform the composition of our backlog
- Increased investments in **high returning organic growth** opportunities

## Industry-Leading Profitability and Value Creation

- Delivering our work most efficiently to drive the **highest margins in our industry**
- Returns-focused capital allocation policy **maximizes shareholder value**
- Rooted in a commitment to return substantially all available **cash flow to investors**

**CREATING VALUE BY CAPITALIZING ON OUR STRENGTHS**

# Secular Growth Drivers

Funding is accelerating and driving long-term growth across our largest markets

## MULTI-DECADE MEGATRENDS

1 *Global Infrastructure Investment Renaissance*



## HOW WE'RE CAPITALIZING

Investing in our program management and advisory capabilities to complement our technical excellence and expand our share of spend

2 *Sustainability and Resilience Investments*

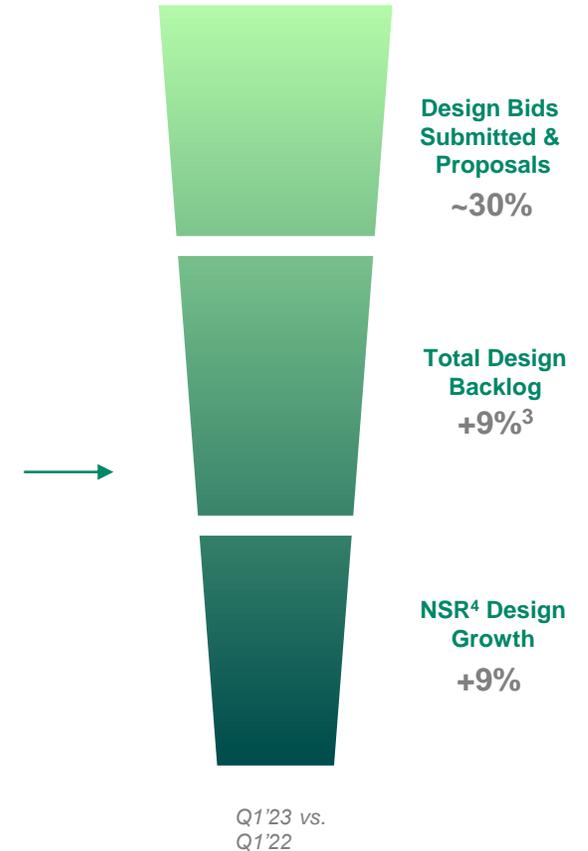


No one better suited to lead our clients throughout their multi-decade initiatives

3 *Investments in Changing Global Supply Chains*



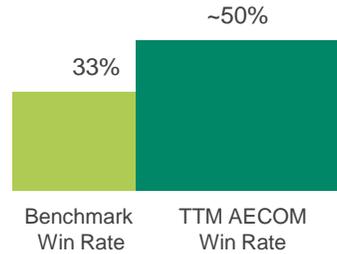
Our scale, experience and global execution capabilities are leading to successes on complex, critical programs



**WE ARE IN A LEADING POSITION TO DELIVER LONG-TERM OUTSIZED ORGANIC GROWTH**

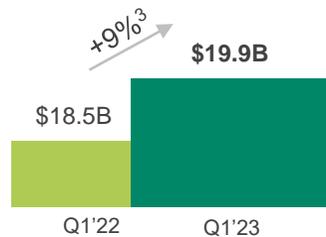
# Winning What Matters to Expand Our Confidence and Visibility

*Prioritizing our time and capital on the highest returning and most valuable growth opportunities*



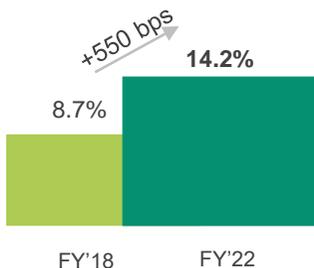
## Record High Win Rate

- Even greater win rate on larger \$25 million projects
- Share of \$25+ million wins has more than doubled in the last few years to **nearly 30%** of wins



## Record Design Backlog

- Q1'23 design backlog **increased by 9%<sup>3</sup>** to a record high; driven by a **1.3 book-to-burn ratio<sup>5</sup>**
- Design backlog accounts for approximately **90%** of our profitability



## Industry-Leading Margins

- Q1'23 segment adjusted<sup>2</sup> operating margin<sup>6</sup> increased by nearly **40 basis points to 14%**, a new high for a first quarter
- Pursuing more profitable opportunities and delivering our work more efficiently

**TRANSFORMING OUR BACKLOG VISIBILITY AND EXPANDING THE LONG-TERM EARNINGS POWER OF THE BUSINESS**

# Winning with Technical Excellence

*In 9 out of 10 critical pursuits, our technical expertise is cited as the key factor in our success*

## PROJECT WIN



### **NEOM**

*Bringing the full strength of our program management and advisory capabilities to serve as program manager for a substantial portion of the development of the new mega city in Saudi Arabia – including the Spine infrastructure, new island development, development of new international airports and other critical assets*



### **Navy NAVFAC CLEAN – Atlantic and Pacific Regions**

*Substantial wins that include a takeaway from a key competitor that brings the capabilities of the whole company, including our industry-leading PFAS expertise, for a program for at least five years of visibility*



### **California High-Speed Rail**

*Integrating our world-class program management and digital capabilities to deliver the first frequent train service exceeding 200 miles per hour, which is poised to be one of the most transformative infrastructure investments in U.S. history*



### **Cloudburst Program**

*Collaborating across our leading sustainability and resilience teams to advise on NYC's Cloudburst program, which constructs clustered stormwater management projects in flood prone and underserved communities across the city*



### **Transforming Transit Connectivity**

*Providing an innovative design for a substantial highway tunnel that will create a better-connected road for commuters and will reduce negative impacts on the surrounding environment*

## COMPETITIVE ADVANTAGES



*Our world-class program management platform, and digital and local expertise*



*Global collaboration and innovative environmental solution*



*Our world-class rail, program management and digital and local expertise*



*Expertise in digital solutions and resilience and sustainability*



*Technical solution and vast tunneling experience*

# Capital Allocation Policy

*Backed by strong balance sheet with low net leverage, 80% of our debt fixed, swapped or capped over the next several years, and no near-term debt maturities resulting in certainty*

## Capital Allocation Framework

### 1 Organic Growth Investments

- Our highest returning use of capital
- Accelerating investments in our people, clients and digital capabilities

### 2 Share Repurchases

- Best and highest return after organic growth investments
- Committed to return substantially all available cash flow to investors
- Have repurchased \$1.5 billion since September 2020

### 3 Quarterly Dividend Program

- Consistent return of capital
- Committed to grow at a double-digit percentage annually
- Increased dividend payment by 20% in January 2023



**Organic Growth Investments**



**Share Repurchases**



**Quarterly Dividend Program**

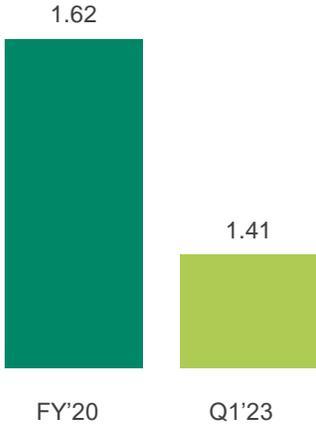
**RETURNS-BASED FRAMEWORK DELIVERS SUPERIOR SHAREHOLDER VALUE**

# Shareholder Value Creation

*Our returns-based capital allocation policy is creating a more valuable enterprise*

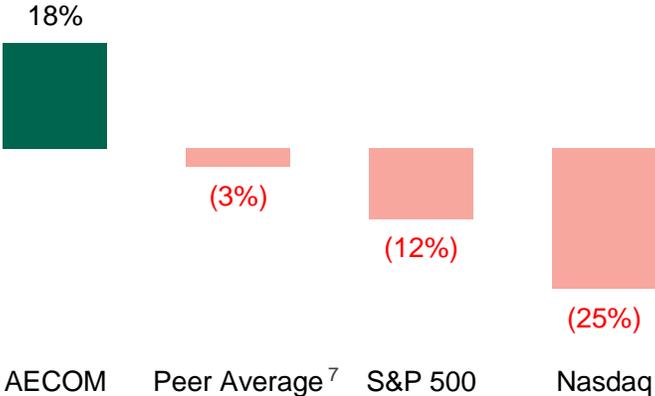
### High returning share repurchases

**Weighted average shares outstanding (hundred millions, diluted)**



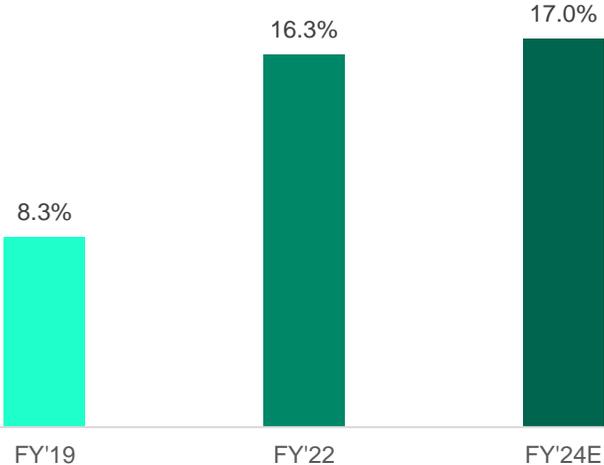
### Generating substantial shareholder returns

**Total Shareholder Return since AECOM Dividend Announcement in Dec. 2021**



### Superior value creation

**Expanding ROIC<sup>1</sup>**

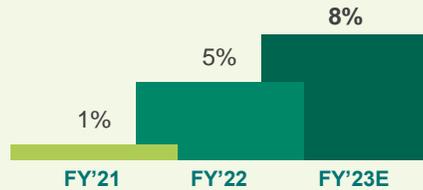


**EXECUTION OF OUR STRATEGY AND CAPITAL ALLOCATION POLICY IS DRIVING INDUSTRY-LEADING PERFORMANCE**

# Our Long-Term Commitments

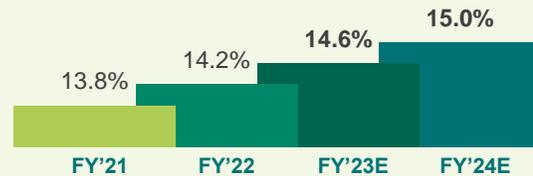
## EXPECTATIONS FOR STRONG GROWTH IN FY'23 AND FY'24

### Organic NSR<sup>3</sup> Growth



**Revenue Growth Is Accelerating**

### Segment Adjusted<sup>2</sup> Operating Margin<sup>6</sup>



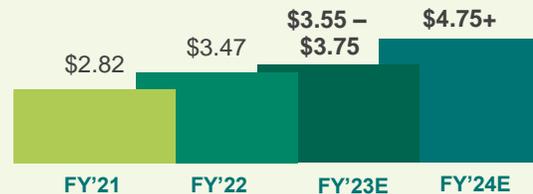
**Margins Continue to Expand to New Highs**

### Adjusted<sup>2</sup> EBITDA<sup>8</sup>



**+10%**  
(FY'23 vs. FY'22)  
Growth on a Constant-Currency Basis

### Adjusted<sup>2</sup> EPS



**+19%**  
(FY'21 - FY'24)  
Compound Annual Growth Rate

## LONG-TERM VALUE CREATION

- ✓ Continue to expect to deliver on all of our FY'23 guidance metrics, including:
  - 8% organic NSR growth
  - 14.6% segment adjusted operating margin
  - 10% constant-currency adjusted EPS and EBITDA growth
  - Free cash flow of between \$475 million and \$675 million
- ✓ Positioned to deliver on our FY'24 financial targets, including a more than doubling of adjusted EPS from 2020 to 2024
- ✓ Expect to continue to deliver high conversion of earnings to cash flow
- ✓ Longer-term aspirational segment adjusted operating margin target of 17%

# Appendix

# AECOM: The World's Trusted Infrastructure Consulting Firm

We deliver professional services throughout the project lifecycle – from advisory, planning, design and engineering to program and construction management.

Across the globe, we partner with our clients in the public and private sectors to solve their most complex challenges and pioneer innovative solutions.

50K professionals

#1

ranked transportation & facilities design firm, and environmental engineering & science firm

9 yrs Fortune World's Most Admired 9 years in a row, including #1 in our industry for a third consecutive year in 2023

AECOM



# Q1'23 Key Performance Highlights

## 1 Delivering Accelerating Organic Growth

We delivered 8% organic NSR<sup>1</sup> growth in the first quarter, which marked another quarter of accelerating growth and included 9% organic NSR growth in the design business.

8<sup>th</sup>

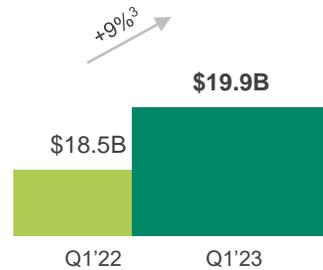
Consecutive Quarter of Organic NSR<sup>4</sup> Growth

9%

Q1'23 Total Design NSR<sup>4</sup> Growth

## 2 Transforming the Value of Our Backlog

By winning what matters, we are transforming the long-term earnings potential of the business with a design backlog at a record high, which includes a doubling of high value wins over the past two years.



Total Design Backlog

1.3x

Q1'23 Design Book-to-Burn<sup>5</sup>

2x

Share of High Value Wins Has More than Doubled Over the Past Two Years

## 3 Translating Growth to the Bottom Line

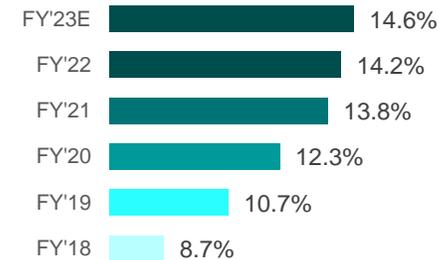
Industry-leading margins, combined with accelerating organic growth, is translating to the bottom line, which is enabling investments in our teams to capitalize on substantial growth opportunities.

8%

Q1'23 Adjusted<sup>2</sup> EBITDA<sup>8</sup> Growth

13%

Q1'23 Adjusted<sup>2</sup> EPS Growth (Adjusted for FX and Tax Benefit in Prior Year)



Segment Adjusted<sup>2</sup> Operating Margin<sup>6</sup>

## 4 Maximizing Value for Shareholders

With a strong start to the year on cash flow, we returned approximately \$70 million of capital to shareholders in the quarter and in January increased our dividend by 20%

\$84M

Q1'23 Free Cash Flow<sup>9</sup>

~\$70M

Q1'23 Capital Returns to Shareholders (including repurchases and dividends)

~16%

Share Count Reduction Since Repurchases Began in Sept '20

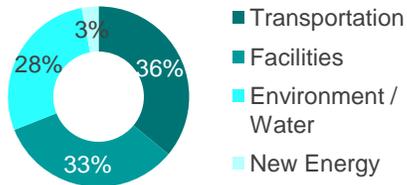
+20%

Increased Quarterly Dividend in January

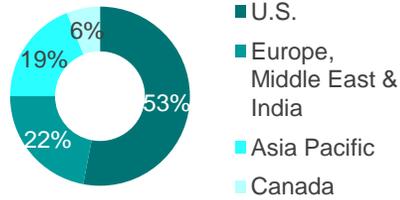
**WE REMAIN CONFIDENT IN DELIVERING ON OUR LONG-TERM COMMITMENTS AND IN CREATING VALUE FOR SHAREHOLDERS**

# As a Professional Services Business, AECOM Is Poised to Thrive

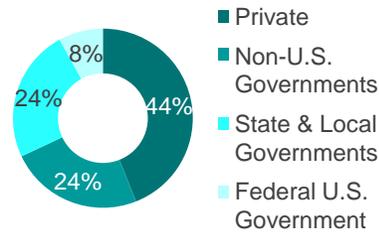
## Attractive Exposure to Key End Markets



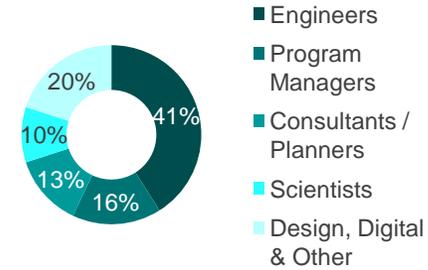
## Balanced Geographic Exposure



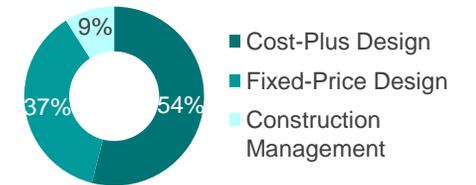
## Diverse Funding Sources



## Deep Technical Expertise



## Lower-Risk Business Model



- ✓ **Focused** on our core higher-returning and lower-risk businesses
- ✓ **Leader** in key transportation, water and environment markets and ideally positioned to advise clients on their sustainable and resilience priorities
- ✓ **Strengthened** financial profile with transformed balance sheet and returning capital to shareholders
- ✓ **Capitalizing** on market leading positions, substantial backlog and ongoing continuous improvement initiatives to drive long-term profitable growth

All financial information is presented as a percentage of TTM Segment<sup>6</sup> NSR<sup>4</sup> (as of Q1'23).

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# Footnotes

<sup>1</sup> Return on invested capital, or ROIC, reflects continuing operations and is calculated as the sum of adjusted net income as presented in the Company's Regulation G Information and adjusted interest expense, net of interest income, divided by average quarterly invested capital as defined as the sum of attributable shareholder's equity and total debt, less cash and cash equivalents.

<sup>2</sup> Excludes the impact of certain items, such as restructuring costs, amortization of intangible assets and other items. See Regulation G Information for a reconciliation of Non-GAAP measures.

<sup>3</sup> On a constant-currency basis.

<sup>4</sup> Revenue, less pass-through revenue; growth rates are presented on a constant-currency basis.

<sup>5</sup> Book-to-burn ratio is defined as the dollar amount of wins divided by revenue recognized during the period, including revenue related to work performed in unconsolidated joint ventures.

<sup>6</sup> Reflects segment operating performance, excluding AECOM Capital.

<sup>7</sup> Peers include Tetra Tech, WSP Global, Stantec, Arcadis, and Jacobs

<sup>8</sup> Attributable net income before interest expense, tax expense, depreciation and amortization.

<sup>9</sup> Free cash flow is defined as cash flow from operations less capital expenditures, net of proceeds from disposals of property and equipment.

# Regulation G Information

## Reconciliation of Revenue to Net Service Revenue (NSR)

	Three Months Ended		
	December 31, 2021	September 30, 2022	December 31, 2022
<b>Americas</b>			
Revenue	\$ 2,463.5	\$ 2,618.9	\$ 2,579.3
Less: Pass-through revenue	1,575.7	1,671.4	1,655.6
Net service revenue	<u>\$ 887.8</u>	<u>\$ 947.5</u>	<u>\$ 923.7</u>
<b>International</b>			
Revenue	\$ 802.4	\$ 806.8	\$ 802.8
Less: Pass-through revenue	148.1	165.3	133.9
Net service revenue	<u>\$ 654.3</u>	<u>\$ 641.5</u>	<u>\$ 668.9</u>
<b>Segment Performance (excludes ACAP)</b>			
Revenue	\$ 3,265.9	\$ 3,425.7	\$ 3,382.1
Less: Pass-through revenue	1,723.8	1,836.7	1,789.5
Net service revenue	<u>\$ 1,542.1</u>	<u>\$ 1,589.0</u>	<u>\$ 1,592.6</u>
<b>Consolidated</b>			
Revenue	\$ 3,266.7	\$ 3,426.1	\$ 3,382.4
Less: Pass-through revenue	1,723.8	1,836.7	1,789.5
Net service revenue	<u>\$ 1,542.9</u>	<u>\$ 1,589.4</u>	<u>\$ 1,592.9</u>

## Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

	Three Months Ended		
	December 31, 2021	September 30, 2022	December 31, 2022
Net cash provided by operating activities	\$ 194.9	\$ 315.6	\$ 120.0
Capital expenditures, net	(32.2)	(58.2)	(36.3)
Free cash flow	<u>\$ 162.7</u>	<u>\$ 257.4</u>	<u>\$ 83.7</u>

## Reconciliation of Segment Income from Operations to Adjusted Income from Operations

<b>Americas Segment:</b>			
Income from operations	\$ 153.2	\$ 169.5	\$ 163.8
Amortization of intangible assets	4.3	4.4	4.4
Adjusted income from operations	<u>\$ 157.5</u>	<u>\$ 173.9</u>	<u>\$ 168.2</u>
<b>International Segment:</b>			
Income from operations	\$ 53.0	\$ 57.6	\$ 55.1
Amortization of intangible assets	0.4	0.3	0.3
Adjusted income from operations	<u>\$ 53.4</u>	<u>\$ 57.9</u>	<u>\$ 55.4</u>
<b>Segment Performance (excludes ACAP):</b>			
Income from operations	\$ 206.2	\$ 227.1	\$ 218.9
Amortization of intangible assets	4.7	4.7	4.7
Adjusted income from operations	<u>\$ 210.9</u>	<u>\$ 231.8</u>	<u>\$ 223.6</u>

## FY2023 GAAP Operating Cash Flow Guidance based on Free Cash Flow Guidance

(in millions, all figures approximate)

	Fiscal Year End 2023
Operating cash flow guidance	\$575 to \$775
Capital expenditures, net of proceeds from equipment disposals	(\$100)
Free cash flow guidance	<u>\$475 to \$675</u>

## FY2023 GAAP Income from Operations as a % of Revenue Guidance based on Segment Adjusted Operating Income as a % of Net Service Revenue Guidance

(all figures approximate)

	Fiscal Year End 2023
Income from operations as a % of revenue	5.6%
Pass-through revenues	7.8%
Amortization of intangible assets	0.1%
AECOM Capital income from operations	(0.1)%
Corporate net expense	1.0%
Restructuring expenses	0.2%
Segment adjusted operating income as a % of net service revenue	<u>14.6%</u>

Note: Variances in tables are due to rounding.

# Regulation G Information

## FY2023 GAAP EPS Guidance based on Adjusted EPS Guidance

(all figures approximate)

	<u>Fiscal Year End 2023</u>
GAAP EPS guidance	\$3.21 to \$3.47
Adjusted EPS excludes:	
Amortization of intangible assets	\$0.12
Amortization of deferred financing fees	\$0.04
Restructuring expenses	\$0.28 to \$0.21
Tax effect of the above items	(\$0.11) to (\$0.09)
Adjusted EPS guidance	<u>\$3.55 to \$3.75</u>

## FY2023 GAAP Net Income Attributable to AECOM from Continuing Operations Guidance based on Adjusted EBITDA Guidance

(in millions, all figures approximate)

	<u>Fiscal Year End 2023</u>
GAAP net income attributable to AECOM from continuing operations guidance*	\$453 to \$490
Adjusted net income attributable to AECOM from continuing operations excludes:	
Amortization of intangible assets	\$17
Amortization of deferred financing fees	\$5
Restructuring expenses	\$40 to \$30
Tax effect of the above items	(\$15) to (\$13)
Adjusted net income attributable to AECOM from continuing operations	<u>\$500 to \$529</u>
Adjusted EBITDA excludes:	
Depreciation	\$152
Adjusted interest expense, net	\$120
Tax expense, including tax effect of above items	\$163 to \$174
Adjusted EBITDA guidance	<u>\$935 to \$975</u>

\*Calculated based on the mid-point of AECOM's fiscal year 2023 EPS guidance.

## Reconciliation of Net Income Attributable to AECOM from Continuing Operations per Diluted Share to Adjusted Net Income Attributable to AECOM from Continuing Operations per Diluted Share

	<u>Three Months Ended</u>		
	<u>Dec 31, 2021</u>	<u>Sep 30, 2022</u>	<u>Dec 31, 2022</u>
Net income attributable to AECOM from continuing operations per diluted share	\$ 0.81	\$ 0.82	\$ 0.62
Per diluted share adjustments:			
Restructuring costs	0.02	0.13	0.27
Amortization of intangible assets	0.03	0.03	0.03
Financing charges in interest expense	0.01	0.01	0.01
Tax effect of the above adjustments*	(0.01)	(0.05)	(0.07)
Valuation allowances and other tax only items	0.03	(0.05)	—
Adjusted net income attributable to AECOM from continuing operations per diluted share	<u>\$ 0.89</u>	<u>\$ 0.89</u>	<u>\$ 0.86</u>
Weighted average shares outstanding – basic	141.8	139.6	138.7
Weighted average shares outstanding – diluted	144.6	141.3	140.6

\* Adjusts the income taxes during the period to exclude the impact on our effective tax rate of the pre-tax adjustments shown above.

## Reconciliation of Net Income Attributable to AECOM from Continuing Operations to EBITDA to Adjusted EBITDA and to Adjusted Income from Operations

Net income attributable to AECOM from continuing operations	\$ 117.8	\$ 115.4	\$ 87.5
Income tax expense	22.6	33.0	25.8
Depreciation and amortization	41.1	44.1	43.4
Interest income <sup>(2)</sup>	(1.3)	(2.3)	(5.9)
Interest expense	25.4	33.3	36.7
Amortized bank fees included in interest expense	(1.2)	(1.2)	(1.2)
EBITDA	<u>\$ 204.4</u>	<u>\$ 222.3</u>	<u>\$ 186.3</u>
Restructuring costs	3.4	18.6	37.5
Adjusted EBITDA	<u>\$ 207.8</u>	<u>\$ 240.9</u>	<u>\$ 223.8</u>
Other income	(2.9)	(3.7)	(7.9)
Depreciation <sup>(1)</sup>	(35.3)	(38.3)	(37.7)
Interest income <sup>(2)</sup>	1.3	2.2	5.9
Noncontrolling interests in income of consolidated subsidiaries, net of tax	5.4	6.0	9.6
Amortization of intangible assets included in NCI, net of tax	0.1	0.1	0.2
Adjusted income from operations	<u>\$ 176.4</u>	<u>\$ 207.2</u>	<u>\$ 193.9</u>

<sup>(1)</sup> Excludes depreciation from discontinued operations.

<sup>(2)</sup> Included in other income.

**AECOM** Delivering a  
better world