

# What is the addressable PFAS market?

Bank of America

June 2023

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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.

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# Lara Poloni

*President*

# Our Value Proposition

*We are the world's leading infrastructure consulting firm*

- Unrivaled **global technical expertise** for the world's most iconic programs
- Widening **competitive advantages**
- Culture of collaboration to **Win What Matters**
- High-returning **organic growth** focus
- **Accelerating growth drivers** aligned with global infrastructure expansion
- 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

#1

Transportation Design Firm

Facilities Design Firm

Environmental Engineering Firm

Environmental Science Firm

Green Design Firm

Airports

Highways

Dams and Reservoirs

Education

#2

Environmental Firm

Water Supply

Water Treatment Lines and Aqueducts

Wastewater Treatment Plants

Hazardous Waste

Chemical Remediation

Mass Transit

Bridges

#3

Water Design Firm

Marine and Ports

Sewer and Waste

Water Treatment and Desalination

Healthcare

Wind Power

Clean Air Compliance

Site Assessment and Compliance

Source: 2022 / 2023 ENR Rankings, reflecting global revenue.

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**Rosa Gwinn, PhD**

*Global PFAS Technical Lead*

# Introduction to Per- and Polyfluoroalkyl Substances (PFAS)

## WHAT ARE PFAS?

- Class of **>9,200** synthetic compounds\* used in a **broad range of commercial applications**
- **Resist** thermal, chemical, and biological **degradation**; many act as **surfactants**

## WHY ARE PFAS SO DIFFICULT TO MITIGATE?

- Carbon-Fluorine is one of the **strongest chemical bonds**
- Widely distributed due to **extreme mobility**
- **Toxicity** drives clean up to very low concentrations
- Limited **commercial destructive solutions**

## WHY IS THERE URGENCY AROUND PFAS SOLUTIONS?

- PFAS appear in **all environmental media** across the globe, in the drinking water of **millions of people**, and **human blood**
- **Evolving regulations** at federal and state levels are increasingly **stringent**
- **Liability** is incurred in absence of **destructive solution**



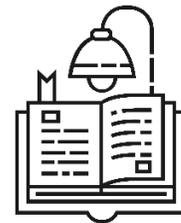
Toxic



Mobile



Regulated



Researched

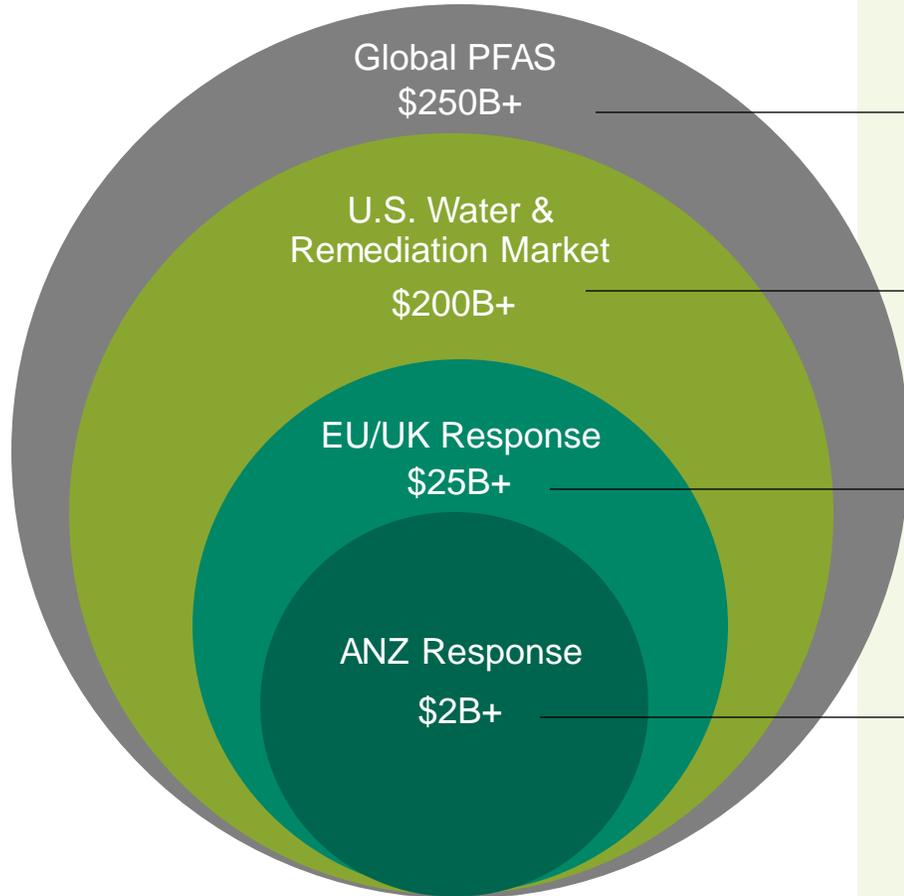


Consumed



Costly

# Substantial Expected Global PFAS Spend



The **entire global market addresses** PFAS replacement chemistry development, manufacturing, and supply; treatment infrastructure design, build, and operating expenses; and environmental mitigation— *this does not include human health or liability costs*

A portion of the **total US market<sup>1</sup>** is addressable by AECOM engineering and consulting services to identify, design, treat, and remediate PFAS in water, wastewater, and the environment

Recent indications for **increased PFAS impacts based on across Europe** will add to the \$17 billion<sup>2</sup> once estimated for the water and soil remediation market in Nordic countries

**Australia's Defence alone has expended** \$600 million with a projected budget exceeding \$100 million per annum<sup>3</sup> associated with remediation, including soil and groundwater, and water/wastewater; other industries are beginning to expand their responses

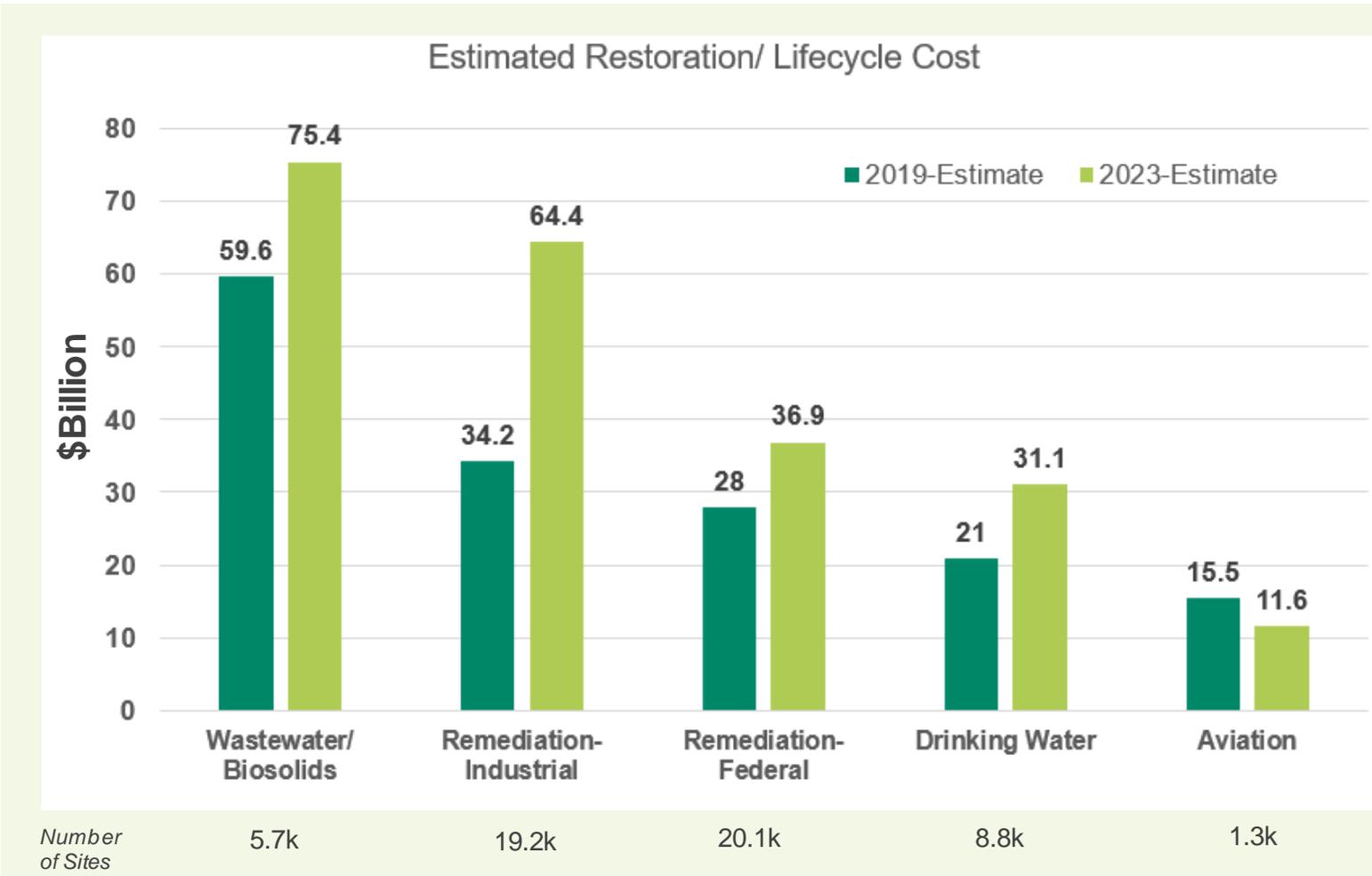
**PFAS IS A MULTI-BILLION-DOLLAR OPPORTUNITY FOR AECOM**

<sup>1</sup> Environmental Business Journal, Volume 35, 7/8, 2023

<sup>2</sup> Nordic Council of Ministers, 2019. <https://norden.diva-portal.org/smash/get/diva2:1295959/FULLTEXT01.pdf>

<sup>3</sup> 2017 publication at <https://defence.gov.au/Environment/PFAS/>

# Well-Positioned for Increased U.S. PFAS Opportunity



- **AECOM’s competitive edge** positions us for **more than an equal share** of design-consulting; especially large, complex projects
- **The total market has increased by almost 40%** since 2019, which is projected to substantially increase from **pending stringent regulations**

Source: *Environmental Business Journal*, Volume 32, 5/6, 2019  
*Environmental Business Journal*, Volume 35, 7/8, 2023

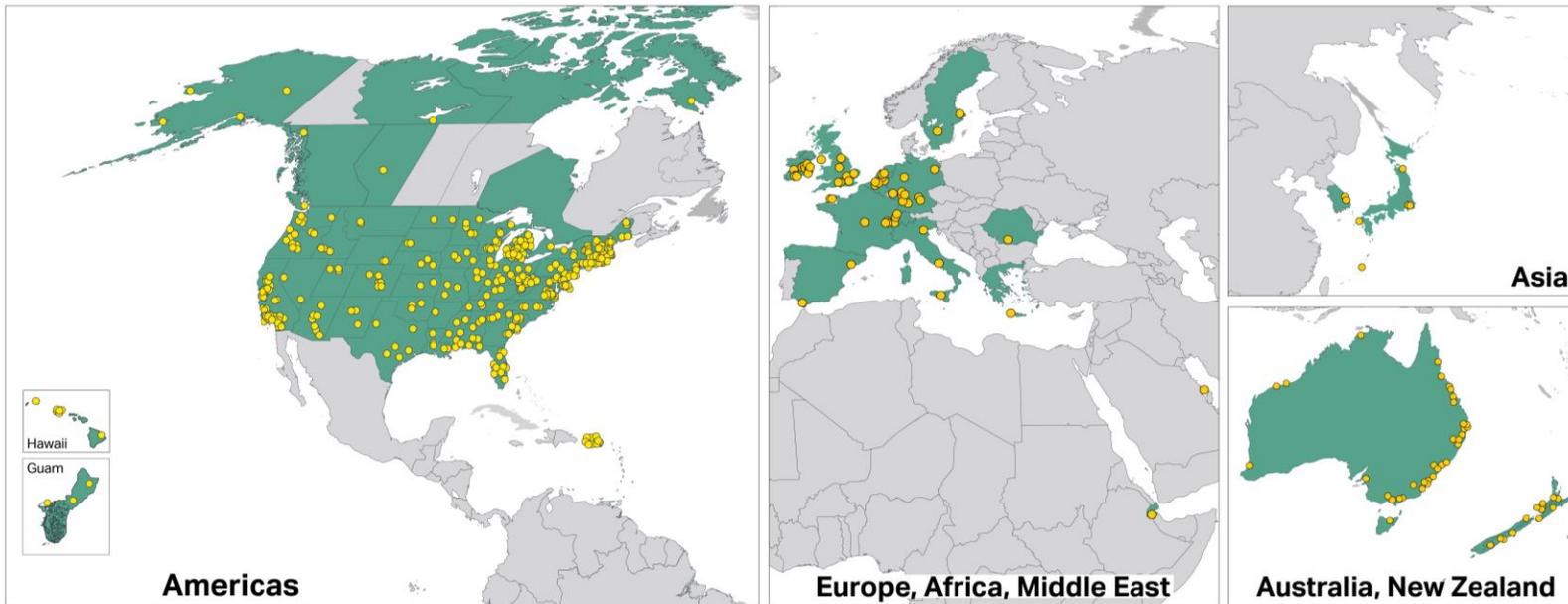
**APPROXIMATELY 25% IS ADDRESSABLE BY ENGINEERING CONSULTING SERVICES**

## A Game-Changing Year: 2023

- In 2023, the **USEPA made three regulatory advances** that expanded the PFAS market in AECOM's core expert service areas:
  - Released a draft **National Primary Drinking Water Regulation (NPDWR)** for enforceable **Maximum Contaminant Levels (MCLs) for six PFAS**, vastly increasing the speed and scope of drinking water PFAS treatment over the next 3 years
  - Proposed designating **2 PFAS as hazardous substances** (and 7 pending) that will greatly expand remediation service needs beyond U.S. DOD's proactive response
  - Advanced proposed **Effluent Limitations Guidelines** and **National Pollution Discharge Elimination System** changes that strictly limit PFAS in wastewater
- **\$9B** in IIJA funding will enable municipal agencies to advance PFAS solutions faster
- Additional regulations to watch:
  - USEPA is considering a **hazardous waste designation** which drives the need for a destruction technology
  - Canada recommended nationwide **drinking water compliance values**
  - Europe proposed a **total ban on all PFAS** in manufactured goods

# AECOM Leads the PFAS Consulting Market

- Expect **near-term market growth** as regulations unfold in the US, Canada, and EU
  - AECOM boasts **unrivalled global experience** and **technical expertise**
  - AECOM is **building on large market share** with DoD, industrial and municipal clients
  - Need for **PFAS destruction technology** is ripe and growing exponentially
- AECOM **invests in the technical advancement** of PFAS solutions, funding over **15 PFAS research projects**



**20+** Years

**500+** PFAS Project Sites

**100,000+** PFAS Samples

**AECOM** Delivering a  
better world