

# Second Quarter Fiscal 2018

**AECOM**

RÉSEAU EXPRESS MÉTROPOLITAIN (REM)  
The largest integrated public transportation infrastructure  
in Québec since the Montréal Metro, inaugurated in 1966,  
the REM will also be one of the largest automated  
transportation networks in the world once complete.

# Disclosures

## Safe Harbor

Except for historical information contained herein, this presentation contains “forward-looking statements.” All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, financial and business projections, including but not limited to revenue, earnings, operating and free cash flows, and business pursuits; non-core Oil & Gas operations sales and restructuring costs; any statements of the plans, strategies and objectives for future operations; any statements regarding future economic conditions or performance; any statements of belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements may include the words “may,” “will,” “estimate,” “intend,” “continue,” “believe,” “expect” or “anticipate” and other similar words.

Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed in this presentation. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in forward-looking statements include, among others, the following:

- our business is cyclical and vulnerable to economic downturns and client spending reductions;
- dependence on long-term government contracts and uncertainties related to government contract appropriations;
- governmental agencies may modify, curtail or terminate our contracts;
- government contracts are subject to audits and adjustments of contractual terms;
- impacts of the Tax Cuts and Jobs Act;
- losses under fixed-price contracts;
- limited control over operations run through our joint venture entities;
- misconduct by our employees or consultants or our failure to comply with laws or regulations applicable to our business;
- maintain adequate surety and financial capacity;
- our leveraged position and ability to service our debt and guarantees;
- exposure to legal, political and economic risks in different countries as well as currency exchange rate fluctuations;
- retaining and recruit key technical and management personnel;
- legal and claims and inadequate insurance coverage;
- environmental law compliance and adequate nuclear indemnification;
- unexpected adjustments and cancellations related to our backlog;
- dependence on partners and third parties who fail to satisfy their obligations;
- managing pension costs;
- cybersecurity and IT outages; and
- changing client demands, fiscal positions and payments.

Additional factors that could cause actual results to differ materially from our forward-looking statements are set forth in our most recent periodic report (Form 10-K or Form 10-Q) filed and our other filings with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statement.

## Non-GAAP Measures

This presentation contains financial information calculated other than in accordance with U.S. generally accepted accounting principles (“GAAP”). In particular, the company believes that non-GAAP financial measures such as adjusted EPS, adjusted operating income, organic 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 net and operating income to exclude the impact of prior acquisitions and dispositions. We use free cash flow to represent the cash generated after capital expenditures to maintain our business. 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 to the most directly comparable GAAP financial measures is found in the attached appendix and in our earnings release on the Investors section of our Web site at: <http://investors.aecom.com>.

When we provide our long term projections for adjusted EPS growth, organic revenue growth and free cash flow on a forward-looking basis, the closest corresponding GAAP measure and a reconciliation of the differences between the non-GAAP expectation and the corresponding GAAP measure generally is not available without unreasonable effort due to potentially high variability, complexity and low visibility as to items that would be excluded from the GAAP measure in the relevant future period.



# Michael S. Burke

*Chairman  
Chief Executive Officer*

**AECOM**

WORLD TRADE CENTER TRANSPORTATION HUB

**United States**

Selected by the Port Authority of New York and New Jersey, AECOM teams, in association with its joint venture partners, designed and constructed the new PATH terminal at the WTC site in Lower Manhattan.

# Second Quarter FY'18 Results

- 5% organic growth<sup>1</sup> led by higher-margin DCS and MS segments
- Total wins of \$6.9 billion resulted in a 1.4 book-to-burn<sup>2</sup>
  - Greater than 1 book-to-burn in all three segments
  - Favorable margin mix shift in backlog continued with highest growth coming from DCS and MS
  - More than \$6 billion of wins in MS already in April
- Strong year-over-year improvement in cash flow
- Announced two strategic decisions to reduce our risk profile and position the business for long-term success:
  - No longer pursuing new build combined-cycle gas plant EPC contracts
  - Plan to sell and exit certain non-core Oil & Gas operations

5%

Q2'18 Organic Revenue Growth<sup>1</sup>

\$6.9B

Q2'18 Wins



Total Backlog (Record)

2.5x

Net Leverage<sup>4</sup> Target

\$1B

Stock Repurchase Authorization

# Business Trends & Highlights

% of TTM Adj. Operating Income<sup>5</sup>



## Management Services

- **9% organic revenue growth<sup>1</sup>:** driving our highest growth in our highest-margin segment
- **Strong backlog growth:** including more than \$6 billion of wins in April, our MS backlog has more than doubled since the beginning of FY'17, and continue to pursue over \$30 billion pipeline of pursuits



## Design & Consulting Services

- **Growth accelerating in the Americas:** 6% organic growth<sup>1</sup> and double-digit backlog growth in the quarter, led by performance in transportation and water
- **Key funding mechanisms remain firmly in place:** substantial infrastructure funding measures entering the market and significant opportunities from disaster recovery efforts in the Southeast U.S.



## Construction Services

- **Continued growth in Building Construction:** remain on pace for a fourth-straight year of double-digit growth
- **Re-acceleration of the pipeline:** our \$4.2 billion of Building Construction wins in the first half of FY'18 has already exceeded our total wins in FY'17



## AECOM Capital

- **Driving value across the enterprise:** in the quarter we were awarded a greater than \$100 million win in our CS segment for a project ACAP is co-developing in Denver
- **Continuing to develop existing investment portfolio:** new hotel in Menlo Park, CA recently opened



# W. Troy Rudd

*Chief Financial Officer*

FORT RUCKER  
United States

Executing a nine-year contract to provide rotary wing flight training instructor support services for the U.S. Army.

**AECOM**

# Consolidated Second Quarter FY'18 Performance

*Second Quarter*

\$4.79b

*Total Revenue*

\$179m (3.7%)

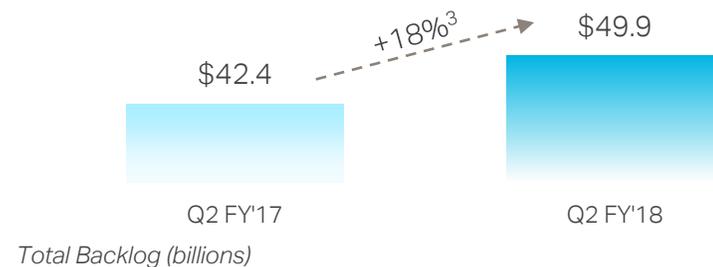
*Adj. Operating Profit (Margin)<sup>5</sup>*

(\$0.75)

*EPS*

\$0.67

*Adj. EPS<sup>5</sup>*



*Total Backlog (billions)*

- Delivering positive organic growth<sup>1</sup> in all three segments for second-consecutive quarter
  - 75% of our growth came from our higher-margin DCS and MS segments
- \$50 billion backlog sets another new all-time high
  - 32% backlog growth, including more than \$6 billion of MS wins in April
- Executed debt refinancing that extended our maturities at lower rates and provides for greater flexibility
  - More than 80% of debt is either swapped or fixed
- On pace with our shareholder value-focused capital allocation goals

# Segment Results – Design & Consulting Services (DCS)

*Second Quarter*

**\$2.0b** (42%)

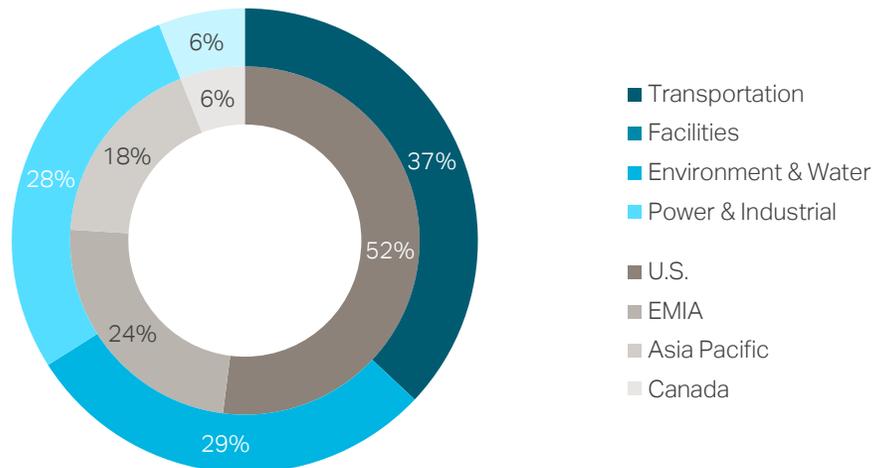
*Segment Revenue (% of Total Revenue)*

**\$123m** (6.0%)

*Operating Profit (Margin)*

**\$130m** (6.5%)

*Adj. Operating Profit (Margin)<sup>5</sup>*



*% of Segment TTM Revenue*

- Delivered 5% organic revenue growth<sup>1</sup>
  - Performance driven by accelerating growth in the Americas; 6% organic growth in the quarter marks the highest in several years
- 15% backlog growth, led by the Americas where performance is especially strong in our core transportation and water markets
- Higher volumes providing margin benefit
  - Remain on track with our full year expectation of greater than 6% margins

# Segment Results – Management Services (MS)

*Second Quarter*

**\$898m** (19%)

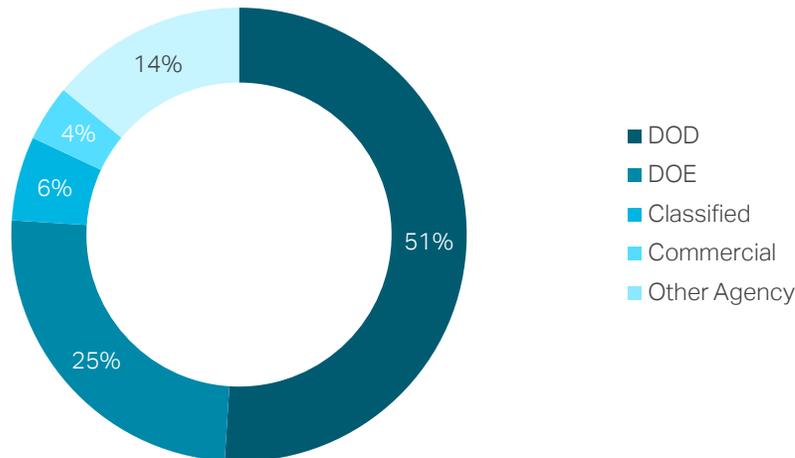
*Segment Revenue (% of Total Revenue)*

**\$43m** (4.8%)

*Operating Profit (Margin)*

**\$53m** (5.9%)

*Adj. Operating Profit (Margin)<sup>5</sup>*



*% of Segment TTM Revenue*

- 9% organic revenue growth<sup>1</sup> driven by strong execution across the business, including revenue growth from recent large wins
- Including wins thus far in Q3, MS backlog has more than doubled since the start of fiscal 2017 to \$20 billion
- Margin performance consistent with expectations
  - Expect improvement in second half of the year as new wins ramp up
- Continue to pursue a robust pipeline of opportunities

# Segment Results – Construction Services (CS)

*Second Quarter*

**\$1.89b** (39%)

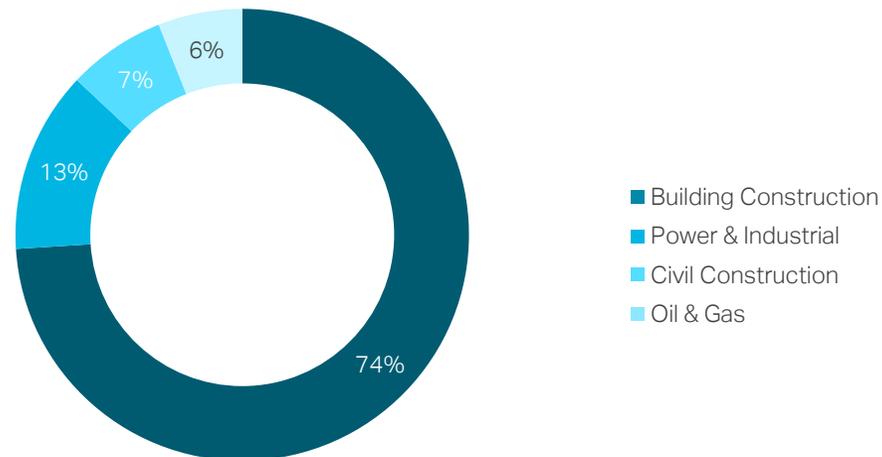
*Segment Revenue (% of Total Revenue)*

**(\$180m)**

*Operating Loss*

**\$26m** (1.4%)

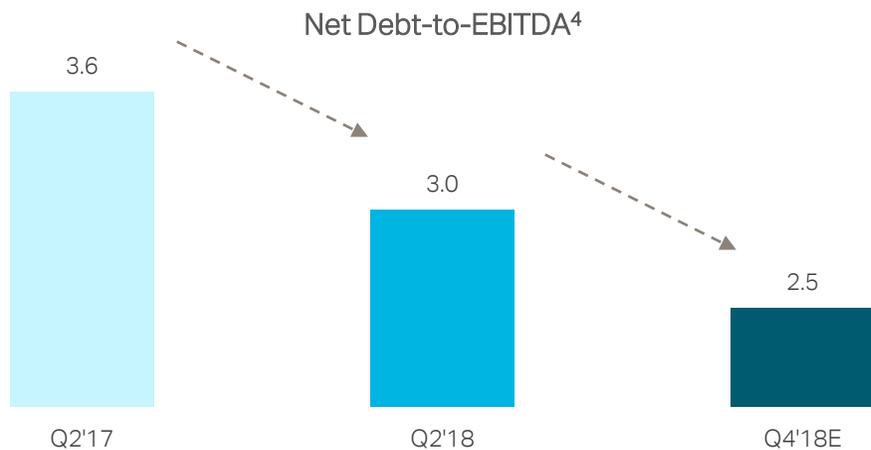
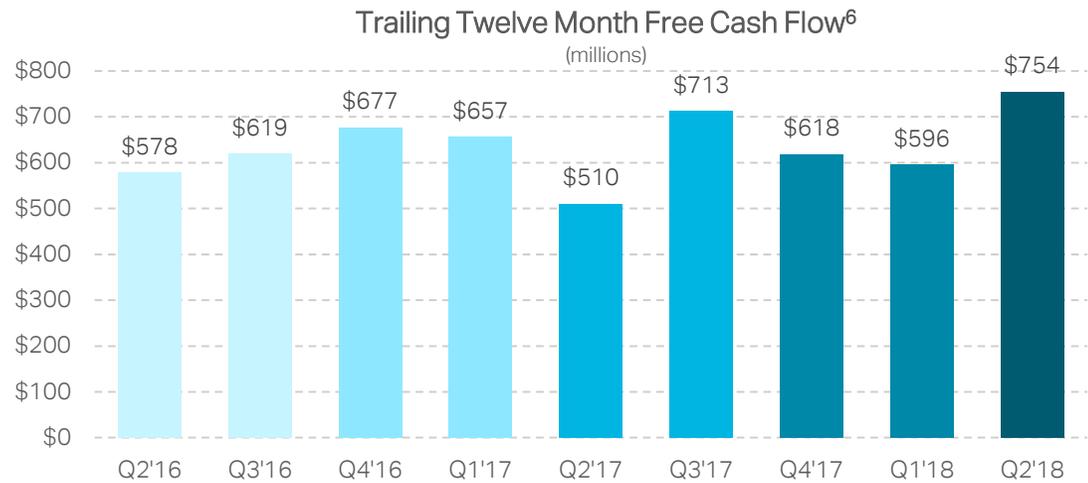
*Adj. Operating Profit (Margin)<sup>5</sup>*



*% of Segment TTM Revenue*

- Continued strong performance in Building Construction
  - Remain on track for fourth-consecutive year of double-digit growth
  - Capitalizing on a reacceleration in the pipeline, with more wins in the first half of FY'18 than in all of FY'17
- Shimmick Construction exceeding expectations with greater than 40% revenue growth
- First half operating margin of 1.9% is consistent with our target of approximately 2%
  - Margins reflect solid execution, partially offset by two non-recurring items

# Cash Generation and Capital Allocation Highlights



- Strong cash performance in the first half of FY'18, which marks a notable improvement from the prior year and was consistent with normal seasonality
- Remain on track to deliver full-year free cash flow<sup>6</sup> of between \$600 and \$800 million for a fourth consecutive year
- Anticipate achieving 2.5x net debt-to-EBITDA<sup>4</sup> by the end of fiscal 2018
  - Thereafter, intend to allocate substantially all free cash flow to stock repurchases under our \$1 billion Board authorization
  - Expect proceeds from non-core Oil & Gas sales to enable accelerated debt reduction

# Financial Outlook

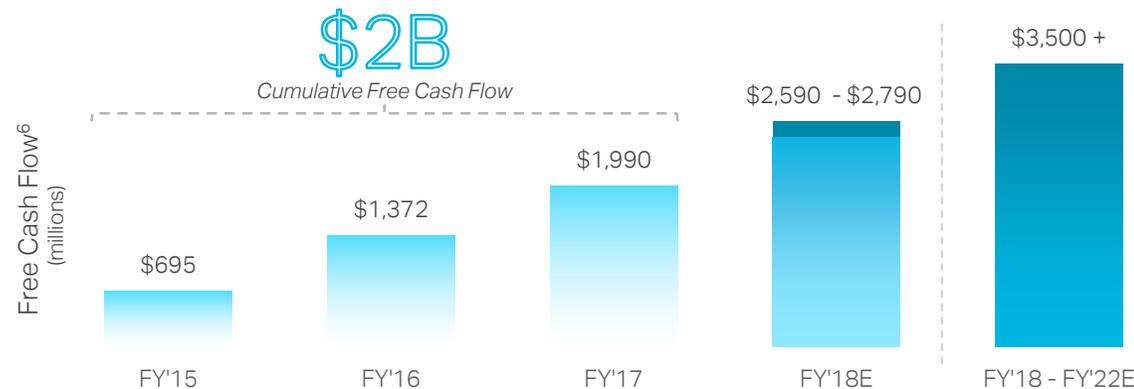
*FY'18 – FY'22 CAGR Projections*

Organic Revenue<sup>1</sup> Growth ↑ 5%+

Adjusted EBITDA<sup>5</sup> Growth ↑ 7%+

Adjusted EPS<sup>5</sup> Growth ↑ 12% - 15%

- Reduced FY'18 adjusted EBITDA<sup>5</sup> guidance to \$880 million
  - Primarily reflects removal of two combined-cycle gas plant projects that were previously in backlog
  
- Reiterated FY'18 adjusted EPS<sup>5</sup> guidance of between \$2.50 and \$2.90
  - Includes better than anticipated tax performance; expecting full year tax rate of 18%
  - Continue to expect 8 cents of AECOM Capital contributions, likely to occur in the fourth quarter



# Appendix



## TURCOT INTERCHANGE

### Canada

Serving as project/construction manager responsible for rebuilding the 40-year-old Turcot Interchange southwest of downtown Montreal, which accommodates approximately 280,000 vehicles per day.

# Footnotes

<sup>1</sup> Year-over-year at constant currency and excludes revenue associated with actual and planned non-core asset and business dispositions from all periods.

<sup>2</sup> Book-to-burn ratio is defined as the amount of new business divided by the revenue recognized during the period.

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

<sup>4</sup> Net debt-to-EBITDA is comprised of EBITDA as defined in the Company's credit agreement, which excludes stock-based compensation, and net debt as defined as total debt on the Company's financial statements, net of cash and cash equivalents.

<sup>5</sup> Excluding acquisition and integration related expenses, financing charges in interest expense, foreign exchange gains, the amortization of intangible assets, financial impacts associated with expected and actual dispositions of non-core businesses and assets, and the revaluation of deferred taxes and one-time tax repatriation charge associated with U.S. tax reform. If an individual adjustment has no financial impact then the individual adjustment is not reflected in the Regulation G Information tables. See Regulation G Information for a reconciliation of Non-GAAP measures.

<sup>6</sup> Free cash flow is defined as cash flow from operations less capital expenditures net of proceeds from disposals, and is a non-GAAP measure.



## DBFO: Design. Build. Finance. Operate.

- Leading fully integrated infrastructure services firm
- Consistently ranked #1 in key markets, including transportation and general building
- Executing the world's most complex and iconic projects

7 continents

\$19B revenue (TTM)

87K employees

\$50B backlog

150+ countries

\$5B market cap

#161 Fortune 500

NYSE:ACM ticker

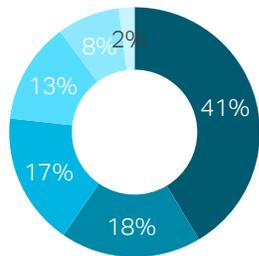
**Project images** (from top left): Rio Olympic & Paralympic Games, Brazil; Istanbul New Airport, Turkey; Olmsted Dam, PA, U.S.; Unmanned Aerial Systems Operation Center Support; Halley VI, Antarctica; Barclays Center, NY, U.S.; Taizhou Bridge, China; Spaceport America, NM, U.S.

**AECOM**

# AECOM: Built to Deliver a Better World

AECOM is built to deliver a better world. We design, build, finance and operate infrastructure assets for governments, businesses and organizations in more than 150 countries.

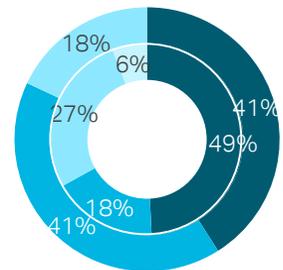
## Attractive Exposure to Key End Markets



% of TTM Revenue (as of FQ2'18)

- Facilities
- Federal / Support Services
- Transportation
- Environment / Water
- Power / Industrial
- Oil & Gas

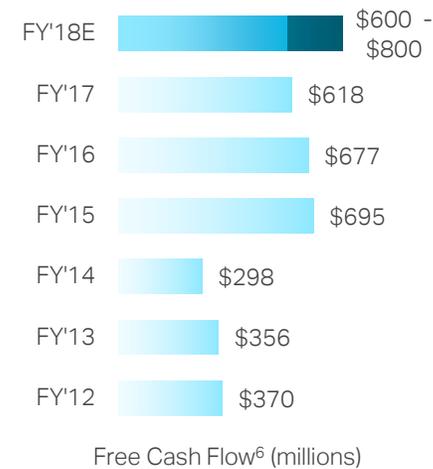
## Broad Segment Capabilities



% of TTM Revenue / TTM Adj. Op. Income<sup>5</sup> (as of FQ2'18)

- Design & Consulting Services
- Construction Services
- Management Services
- AECOM Capital

## Consistent Financial Performance



Free Cash Flow<sup>6</sup> (millions)

## Stockholder-Focused Capital Allocation

**\$1.4b**

Total Debt Reduction  
(since close of URS transaction)

**2.5x**

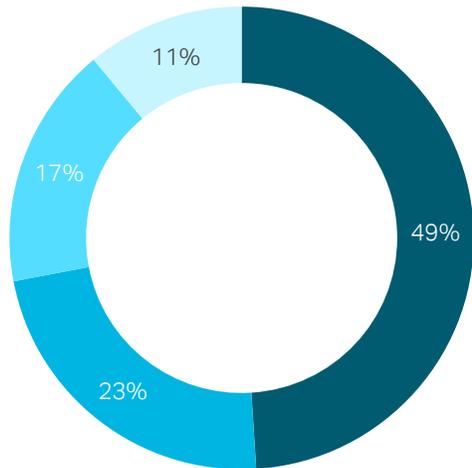
Net Leverage<sup>4</sup>  
Target

**\$1b**

Stock Repurchase  
Authorization

# Diversified by Geography, Funding Source and Contract Type

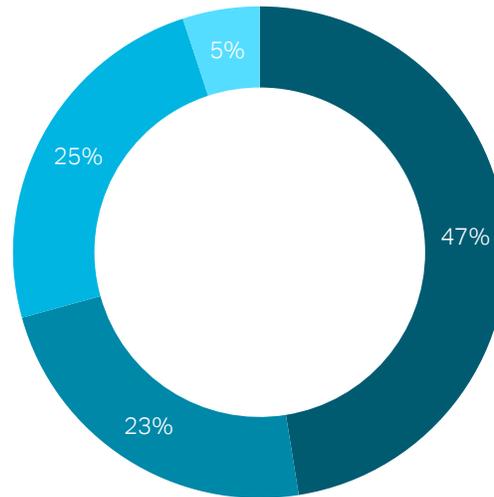
## Funding Source



% of TTM Revenue (as of FQ2'18)

- Private
- U.S. Federal
- U.S. State / Local
- Non-U.S. Government

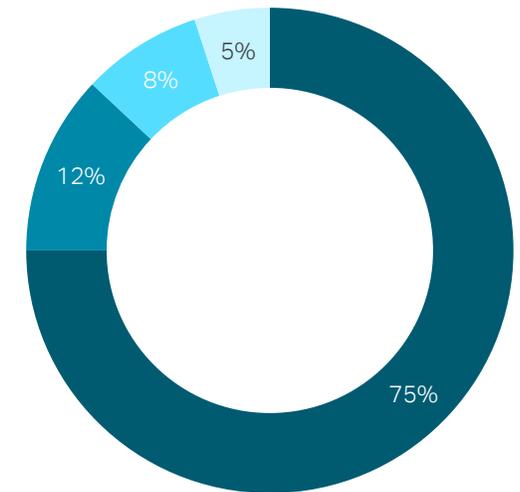
## Contract Type



% of TTM Revenue (as of FQ2'18)

- Cost Plus
- Fixed Price (Design / Other)
- GMP
- Fixed Price (Construction)

## Geography



% of TTM Revenue (as of FQ2'18)

- U.S.
- EMIA
- Asia-Pacific
- Canada

# Regulation G Information

	Three Months Ended		
	Mar 31, 2017	Dec 31, 2017	Mar 31, 2018
<b>Reconciliation of Net Income per Diluted Share to Adjusted Net Income per Diluted Share</b>			
Income (loss) from operations	\$ 140.9	\$ 131.2	\$ (44.1)
Non-core operating losses	0.5	-	21.2
Impairment of assets held for sale, including goodwill	-	-	168.2
Acquisition and integration expenses	20.0	-	-
Gain on disposal activities	(0.6)	-	-
Amortization of intangible assets	27.7	26.9	33.7
Adjusted income from operations	<u>\$ 188.5</u>	<u>\$ 158.1</u>	<u>\$ 179.0</u>
Net income (loss) attributable to AECOM – per diluted share	\$ 0.65	\$ 0.69	\$ (0.75)
Per diluted share adjustments:			
Non-core operating losses	0.01	-	0.13
Impairment of assets held for sale, including goodwill	-	-	1.04
Acquisition and integration expenses	0.12	-	-
Amortization of intangible assets	0.18	0.17	0.21
FX gain from forward currency contract	-	-	(0.06)
Financing charges in interest expense	0.05	0.02	0.27
Tax effect of the above adjustments†	(0.11)	(0.03)	(0.15)
Revaluation of deferred taxes and one-time tax repatriation charges associated with U.S. tax reform	-	(0.26)	-
Amortization of intangible assets included in NCI, net of tax	(0.01)	(0.02)	(0.02)
Adjusted net income attributable to AECOM – per diluted share	<u>\$ 0.89</u>	<u>\$ 0.57</u>	<u>\$ 0.67</u>
Weighted average shares outstanding – diluted	158.7	161.8	162.2

† Adjusts the income tax expense (benefit) during the period to exclude the impact on our effective tax rate of the pre-tax adjustments shown above.

	Three Months Ended		
	Mar 31, 2017	Dec 31, 2017	Mar 31, 2018
<b>Reconciliation of Net Income Attributable to AECOM to EBITDA and to Adjusted EBITDA</b>			
Net income (loss) attributable to AECOM	\$ 102.4	\$ 111.3	\$ (119.7)
Income tax benefit	(35.4)	(47.1)	(24.4)
Income (loss) attributable to AECOM before income taxes	67.0	64.2	(144.1)
Depreciation and amortization expense <sup>1</sup>	72.1	63.5	81.0
Interest income <sup>2</sup>	(1.3)	(1.8)	(3.4)
Interest expense <sup>3</sup>	52.7	53.3	90.9
EBITDA	<u>\$ 190.5</u>	<u>\$ 179.2</u>	<u>\$ 24.4</u>
Non-core operating losses	0.5	-	21.2
Impairment of assets held for sale, including goodwill	-	-	168.2
Acquisition and integration expenses	20.0	-	-
Gain on disposal	(0.6)	-	-
FX gain from forward currency contract	-	-	(9.1)
Depreciation expense included in non-core operating losses and acquisition and integration expenses above	(0.5)	-	(3.8)
Adjusted EBITDA	<u>\$ 209.9</u>	<u>\$ 179.2</u>	<u>\$ 200.9</u>

<sup>1</sup> Includes the amount for noncontrolling interests in consolidated subsidiaries <sup>2</sup> Included in other income <sup>3</sup> Excludes related amortization

# Regulation G Information

	Three Months Ended		
	Mar 31, 2017	Dec 31, 2017	Mar 31, 2018
<b>Reconciliation of Segment Income from Operations to Adjusted Income from Operations</b>			
<b>Design &amp; Consulting Services Segment:</b>			
Income from operations	\$ 112.7	\$ 85.3	\$ 123.0
Non-core operating losses	0.5	-	1.2
Gain on disposal activities	(0.6)	-	-
Amortization of intangible assets	6.9	6.2	6.2
Adjusted income from operations	<u>\$ 119.5</u>	<u>\$ 91.5</u>	<u>\$ 130.4</u>
<b>Construction Services Segment:</b>			
Income (loss) from operations	\$ 25.7	\$ 40.5	\$ (180.3)
Non-core operating losses	-	-	20.0
Impairment of assets held for sale, including goodwill	-	-	168.2
Amortization of intangible assets	7.8	10.8	17.8
Adjusted income from operations	<u>\$ 33.5</u>	<u>\$ 51.3</u>	<u>\$ 25.7</u>
<b>Management Services Segment:</b>			
Income from operations	\$ 52.4	\$ 40.1	\$ 43.4
Amortization of intangible assets	13.0	9.9	9.7
Adjusted income from operations	<u>\$ 65.4</u>	<u>\$ 50.0</u>	<u>\$ 53.1</u>

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

	Three Months Ended							
	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
Net cash provided by (used in) operating activities	\$ 260.1	\$ 362.9	\$ 77.5	\$ (46.1)	\$ 413.9	\$ 251.4	\$ 52.4	\$ 118.4
Capital expenditures, net	(68.8)	(36.9)	(21.0)	(17.7)	(19.8)	(20.0)	(18.5)	(23.7)
Free cash flow	<u>\$ 191.3</u>	<u>\$ 326.0</u>	<u>\$ 56.5</u>	<u>\$ (63.8)</u>	<u>\$ 394.1</u>	<u>\$ 231.4</u>	<u>\$ 33.9</u>	<u>\$ 94.7</u>

	Fiscal Years Ended Sep 30,					
	2012	2013	2014	2015	2016	2017
Net cash provided by operating activities	\$ 433.4	\$ 408.6	\$ 360.6	\$ 764.4	\$ 814.2	\$ 696.7
Capital expenditures, net	(62.9)	(52.1)	(62.8)	(69.4)	(136.8)	(78.5)
Free cash flow	<u>\$ 370.5</u>	<u>\$ 356.5</u>	<u>\$ 297.8</u>	<u>\$ 695.0</u>	<u>\$ 677.4</u>	<u>\$ 618.2</u>

## Reconciliation of Revenue to Amounts Provided by Acquired Companies

	Three Months Ended March 31, 2018		
	Total	Provided by Acquired Companies	Excluding Effect of Acquired Companies
Revenue			
AECOM Consolidated	\$ 4,790.9	\$ 124.3	\$ 4,666.6
Design & Consulting Services	2,004.7	-	2,004.7
Construction Services	1,888.3	124.3	1,764.0
Management Services	897.9	-	897.9

# Regulation G Information

## FY18 GAAP EPS Guidance based on Adjusted EPS Guidance

	<u>Fiscal Year End 2018</u>
GAAP EPS Guidance	\$0.92 to \$1.32
Adjusted EPS Excludes:	
Amortization of intangible assets	\$0.62
Foreign exchange gain	(\$0.06)
Financing charges in interest expense	\$0.33
Year-to-date non-core operating losses	\$0.13
Tax effect of the above items*	(\$0.22)
Loss on assets held for sale, including goodwill	\$1.04
Revaluation of deferred taxes and one-time tax repatriation charges associated with U.S. tax reform	(\$0.26)
Adjusted EPS Guidance	<u>\$2.50 to \$2.90</u>

\*The adjusted tax expense differs from the GAAP tax expense based on the deductibility and tax rate applied to each of the adjustments.

## FY18 GAAP Tax Rate Guidance based on Adjusted Tax Rate Guidance

	<u>Fiscal Year End 2018</u>
GAAP Tax Rate Guidance	8%
Tax rate impact from adjustments to GAAP earnings	8%
Tax rate impact from inclusion of NCI deduction	2%
Effective Tax Rate for Adjusted Earnings Guidance	<u>18%</u>

## FY18 GAAP Interest Expense Guidance based on Adjusted Interest Expense Guidance

	<u>Fiscal Year End 2018</u>
(in millions)	
GAAP Interest Expense Guidance	\$263
Financing charge in interest expense	\$53
Adjusted Interest Expense Guidance	<u>\$210</u>

## FY18 GAAP Net Income Guidance based on Adjusted EBITDA Guidance

	<u>Fiscal Year End 2018</u>
(in millions)	
GAAP Net Income Attributable to AECOM Guidance*	\$180
Adjusted Net Income Attributable to AECOM Excludes:	
Amortization of intangible assets, net of NCI	\$100
Foreign exchange gain	(\$9)
Financing charges in interest expense	\$53
Year-to-date non-core operating losses	\$21
Tax effect of the above items**	(\$35)
Loss on assets held for sale, including goodwill	\$168
Revaluation of deferred taxes and one-time tax repatriation charges associated with U.S. tax reform	(\$42)
Adjusted Net Income Attributable to AECOM	<u>\$437</u>
Adjusted EBITDA Excludes:	
Interest Expense	\$210
Interest Income	(\$6)
Depreciation	\$145
Taxes	\$95
Adjusted EBITDA Guidance	<u>\$880</u>

\*Calculated based on the mid-point of AECOM's fiscal year 2018 EPS guidance.

\*\*The adjusted tax expense differs from the GAAP tax expense based on the deductibility and tax rate applied to each of the adjustments.

Note: the components in this table may not sum to the total due to rounding.