

Sabahat: Good morning everyone. My name is Sabahat Khan and I want to welcome you to another installment of our RBC Global Engineering Deep Dive Series. This morning we're pleased to be joined by the Senior Management team from AECOM. The topic today will be Program Management and Water. We'll dig into AECOM's practices on those two topics. The two leaders from those two practices will walk us through AECOM's business, key points of differentiation and how AECOM wins business in this space. And more importantly, the outlook for those two end markets.

In terms of format here, I'm going to pass the call over shortly to Will Gabrielski, VP Finance and Treasury and Investor Relations at AECOM. He'll introduce the team; we'll get right into the presentation portion after that. And at the end we will have Q&A for the audience that is dialed in. In the platform in front of you, you can submit questions as the session goes on or as the speakers are presenting; and I can convey those questions to the speakers. And you can do that kind of throughout the session. Without further ado, Will, maybe I'll pass it over to you to introduce the team and kick off the session. Thank you.

Will: Awesome. Thank you Saba. I'll begin with a brief overview of AECOM and what makes us an attractive investment opportunity; and then as you noted, we'll turn it over to the business leaders. But first, for those of you who don't know us, we're the world's trusted infrastructure consulting firm. We are going through, as you can see, globally an infrastructure investment upcycle; and we think we're ideally suited for this trend as a leader in our industry.

We're consistently ranked at the top of our industry in terms of key end markets. So that's transportation, water, environment and facilities. Second, we've built a real big competitive advantage in our industry, the results of which is evident in our strong organic growth; record levels of profitability; 20% EPS growth CAGR over the past several years; and our consistently strong free cashflow generation.

We have 52,000 of the industry's best technical experts. And today we'll talk about how we're compounding that advantage by expanding our share of the high value elements of an infrastructure project through program management and advisory, which is what drew leads for AECOM.

And then finally, we have a very disciplined returns-focused capital allocation program. First and foremost investments in organic growth for the highest and best use of our capital. And then second we have a strong focus on repurchasing our stock, which we do. It's continuing to trade at a discount. And two years ago we launched a dividend program with a commitment to grow that dividend at a double-digit CAGR every year. And in the first two years we increased it at an average of 21%.

I know today is a virtual event, but given we're speaking to a Toronto host, I thought it would be worthwhile to point out our involvement in the area. So we're involved in several key projects in the Toronto area, Ontario and South Hamilton LRT was a delivery partner on the Eglinton Crosstown West Expansion. We're doing a lot of work for the Greater Toronto Airport Authority, including master planning work to help them with their environmental goals.

And in water, which Bev will speak to, we see a big opportunity, given the expected increasing in housing supply; and recently had a large win for a water process expansion project where our ability to implement digital solutions around the client depth for automation gave us a big competitive leg up. So Canada is one of our core markets and one of our fastest-growing markets.

I'm going to turn it over to Drew who joined AECOM in 2021 with 39 years of experience, including 23 years in the Airforce where he reached the rank of Colonel. Today Drew leads AECOM's program management business and has spearheaded the more than doubling of that business over the past two years. And then Dr. Beverley Stinson who oversees our water practice will speak about our business, with 30 years of experience and a Ph.D. in engineering. These really are two great leaders that are very representative of the strength of our teams at AECOM. And I'm looking forward to the conversation. So with that I will turn it over to Drew.

Drew: Thank you very much Will; and it's great to join you all today. Appreciate your time and the opportunity to talk to you about our story, a story we're having fun in and it's pretty exciting. And we believe this is going very well.

As Will mentioned, I spent the first half of my professional career as a US Airforce Civil Engineering Officer, planning, building, managing infrastructure on big airbase cities around the world. I joined CH2M Hill as I retired as a Colonel in 2007. And that was really a Godsend for me in that CH2M Hill at the time was really the preeminent program management company in the world, delivering big jobs like the London Olympics and the Panama Canal expansion and \$10 billion Korea military base and large airports.

And so I learned program management from a civilian perspective really in the best kind of learning laboratory. CH was #1 in program management for about 12 to 13 years in a row. And then CH was bought by Jacobs at the end of 2017. I was asked to stand up the program management business within Jacobs, which I did, and was there for about 2.5, 3 years. I found professionally that there was a growing mismatch for me there; and so I went to Hill International. Was the President of their Americas business unit for about less than a year when Troy

reached out to me and shared with me his vision of leverage AECOM's strength to deliver a better world, which is kind of our tagline at AECOM.

And I was sold. And so I joined, as Will said, AECOM in 2021. And it's been a bucket-list experience and job for me. So happy to talk to you briefly about that. Next slide please.

Why are we focused so much on program management? As Troy took over in 2020, the pandemic year, he made a couple of critical decisions with the leadership team and the AECOM board about where we were going to focus and invest our strength and our effort. And two of those key things that really worked for me, in a really symbiotic way, was his decision that AECOM, as well as we were performing, could do better by simply connecting the dots across our firm and across the globe, in bringing our best to our clients around the world.

And that was a theme called Think and Act Globally. And it is still something that 50,000 plus across AECOM continue to own with pride. And it makes us stronger. It makes us better. No longer kind of primarily driven by the regional entities around the world that comprise AECOM legally, and really connect the dots and make sure that we really are seeing how to bring our best to our clients around the world.

And the second was in the program management space; was to elevate program management. AECOM was already doing plenty of program management. The business was about a billion dollars in gross revenue annually. But he felt like if we really focused in that space and leveraged our deep technical expertise, our great credibility and relationships that we had around the world with our key clients, that we could not only do incredible – continue to do great design and engineering work for them; but we could help them deliver a better world. And we felt that – he felt like that was really a place that we could up our game and the value that we provide to our clients and to society.

And so you can see the bullets on this slide. We'll kind of illustrate them a little bit more on the next slide. It's very successful. We have doubled the business in three years, from a \$1 billion business to a \$2 billion business in gross revenue. Next slide please.

And this slide I borrow from Troy. I saw it the first time about a month after I had joined in an Investor Day in February '21, where he addressed the group and said hey, listen, you all know us as what I would say is a day 3 company in the lifecycle of infrastructure investments. And day 3, he said, I would characterize as kind of where projects are developed and identified and a client needs somebody

to design that project, somebody to construct that project. And that is where we do most of our play.

But long before day 3 in the life of infrastructure investments, someone is advising those clients about how to approach their biggest and most important investments that are tied to who they are as a client organization, and advising them on how to approach investment strategies, funding strategies, procurement strategies; how to approach the supply chain; how to plan out the integration of those projects.

And we have a lot of experience in that space. This is a space that you would see the management consultants play quite a bit in. But we have incredible experience in that space; and we have the real-world credibility of not only being able to give that good advice, but we've delivered that stuff. It's not just good advice; we have the scars and the successes to share with our clients that are proven and are real-world.

And for those clients who – so that's kind of day 1, is really the focus and advising. And then day 2, for those clients who have programmatic-level investments, so multibillion dollar investments that are very significant, multiple projects, we would love to convince the client to trust us to be their program manager, to set that investment up for success.

And then out of that program we'll come build those projects, those day 3 projects, that we will continue to do our best in and lead the industry in how we design and support construction of those projects. And so that day 1, day 2 focus has been something that we've really been – it's been an intentional shift, an intentional focus and priority at AECOM for the last three years. Next slide please.

You can see here that kind of in a graphic representation that, as Troy addressed our investors in December on Wall Street, he shared that right now as successful as our program management growth has been, doubling that business in the last three years, that still comprises only about 15% of AECOM's overall business today. And our destination is that program management will comprise about 50% of who AECOM is in the future. And that will be a journey; that won't happen overnight.

But again, it is an intentional journey towards leveraging our technical expertise, in addition to doing great engineering and design work, to help our clients who find themselves in increasingly complex work. It used to be okay for a client 20 or 30 years ago when they needed to build something big, to just make sure that they

got close to being on budget, on schedule and deliver something close to what they advertised at the beginning of that project.

That's not good enough. Our clients today find themselves in a very complex world where they've not only got to do those things, but they have to be sustainably focused and ESG sensitive. They are normally in urban centers where the intersectionality between sectors is more intense than it's ever been before. A transportation project is not just a transportation project anymore, it's an environmental project; it's a water project; a building project. And so their integration needs are huge.

They need to do things faster and be digitally enabled. They need to find new procurement approaches to get the best out of the supply chain and manage risk. And so these are all increased pressures on our client that we as a program management team can help a client navigate those important issues and decisions. And so our focus on becoming at least half, if not primarily a big complex integrator firm that still has that deep technical expertise with an addition to design and engineering, needs to help them make those critical decisions, is kind of where we're headed. Next slide please.

The opportunities are rich. This is a booming arena that the investment and mega projects and large capital programs is only increasing. And so we believe we're also headed to a sweet spot of where the industry is headed in the greatest value that's needed from the agency community. And so far, results are bearing that out. The pipeline of major opportunities for us over the next few years is really in our sweet spot, as far as our major market areas where we have deep technical expertise in water, in transportation, in environment, as well as our key geographies in North America and Europe, as well as the Middle East. Next slide please.

And so this is playing out in real life for us in an extremely positive way. I mentioned a couple times that we've doubled the size of this business in three years. It's no small feat. We are experiencing an incredible win rate. We've won 15 out of 16 over the last 2.5 years of the major multibillion dollar jobs that we have pursued. Which means that our competition has won one out of 16. And so we're being very successful.

I'm finding that our clients -- our message of focusing with them, sitting in the seat with them and helping them solve their problem, focus on their business case, and be focused on the outcome, that the reason why they're making these investments, is resonating with our clients. And at the end of the day, it's about who are they going to trust to help them deliver these big outcomes? And we're privileged and pleased that for right now that that's us; and we intend to do more.

So with that, I will hand things over to Bev to talk about our exciting direction in water.

Beverley: Thank you Drew, appreciate it. It's lovely to be with you all today. And you have heard me say this before, but I really feel that this is water's moment in the industry. I think we're seeing this unprecedented investment in water projects and facilities. And this is driven by a number of secular trends that we'll talk about in the next slide.

But the rate of investment is increasing rapidly. And AECOM is really in an incredibly leading position to participate in this market, but really to capitalize in these huge investments. And we have big ambitions which have been held up by our success today. We're #1 or 2 or 3 in all of our leading water markets. So very much at the forefront of the industry in technical leadership, and also serve a tremendous client base, some marquee clients around the globe. Really, the top clients to have and to work with. And it's really doing – we're doing a great deal for our business in that regard.

And we really – the biggest thing I think that our clients appreciate with AECOM is our unparalleled technical expertise, our depth in engineers, scientists, program managers, digital experts. This is really a differentiator for us and well over 12.5 thousand of those in our team.

And so this is really the basis upon which we have had tremendous growth success over the past few years. And that has outpaced the market and our competitors, which we think will continue to help us to grow and outpace both our market and our competitors in the future. Next slide.

We are really positioned for accelerated growth in the water market. I talked about the secular trends that are really driving the investment, climate change and tremendous focus as a result of that climate change on things such as sustainability and resilience. Tremendous efforts in disaster response and mitigation, which we do a great deal of work for and in.

But a whole new area is energy condition to counteract climate change; and there's a very meaningful water-energy nexus; and we continue to see growing regulation addressing public health concerns. And all of this across the full spectrum we've seen a complete digital transformation that we're very much in the leading position for.

So we see this unprecedented funding, just not only in the – to address the aging assets for our clients, but our clients are seeing new regulatory and environmentally social pressures – things such as addressing CSOs; addressing

PFAS, the forever chemicals; and a great deal of emphasis on flood and drought mitigation.

Now I talked about the water-energy nexus. This is really a new area. It's driving a tremendous amount of growth in the water industry. There is no hydrogen economy without the water economy. This is a whole new demand in our market. But then it's coupled with all of those green energy sources that we have, with hydropower, pump storage, etcetera. So the Water-Energy Nexus is becoming a very big driver in our business.

And our clients, of course, have more to do with less money and it's really driving digital transformation. And as Will said at the beginning, we actually just recently run the Parks and Wastewater Treatment Plant upgrade, because we approached that with a really fresh perspective. We looked at how that plant could operate in the future with digital data management. And that is the basis for which we are trying to develop the design so that they can experience savings over the entire lifecycle of that facility. And we're repeating the reach of our technical expertise through our digital platform. And it's extremely impactful for our clients.

But all of these emerging programs, if you consider the tremendous programs for drought and flood resiliency across the Americas, the AMP8 program in the United Kingdom, which has doubled the investment in this cycle and is projected to continue to increase in future cycles, nine and now ten. These are all driving the need for an optimization of how these projects are delivered, not just those projects, but to drive the delivery of the social outcomes; the infrastructure outcomes; the societal benefits that our clients want to see. And to streamline that how these projects are delivered with a focus on the end benefit.

And so that's where the program management solutions are so impactful across our entire market, whether it's public, private or federal. And I think we've a couple of examples of some of the strategies that we're using in the next slide, to drive this growth.

We have set ourselves, as I said, a really, it would seem, an ambitious target; but we think it's a very realistic target, to double our water business over the next five years. And we have some very key strategies to accomplish that across our markets. And you can see them here. I think our strategy of thinking and acting globally is just completely ingrained in our culture. Now, that is the way we do business, and it means that we bring the best athlete to every program that we work on.

Our discipline in leadership is really driving guidance to business. We have strong, attracting very strong developed, best-in-the industry leaders. And our

focus really builds significant high value opportunities, as Drew commented on. We have very much a leadership focus in securing those major projects.

But our other big enablers for growth are, of course, digital. And we talked a lot about these complex integration projects. It is really meaningful when we bring together our culture across business line collaboration to be able to no longer address things in a silo, but holistically. And that holistic approach is really driven by how we approach it as a program. And I think this is a game-changer. It's really setting a new standard of how to deliver programs.

And we see the benefit of that across all of our end markets, public, private and federal. We'll go to the next slide and just share a couple of those examples recently.

And our clients are really seeking that streamlined, consistent comprehensive delivery of their programs, no longer just fast getting things in projects; but they want a holistic outcome. And this is where – this approach for marrying our project and our program management with our water technical expertise made the significant difference in securing these two very important projects highlighted here.

One is an agency in Southern California, Metropolitan Water with their Southern California program to bring a new resilient source of water to serve over 15 to 20 million people in Southern California. And it was that overarching programmatic approach to deliver the outcomes that that client was seeking for the region that really was the attraction in how we would bring more technical expertise.

And the same was true with FEMA. We were very aware of FEMA's desire to have consistency, transparency in how they actually responded, delivered grant approvals. And this is the first time that FEMA has taken its public assistance grant reviews into one team, which was with AECOM. And so now we are delivering our program through programmatic approach, which has aligned consistency and delivery for its programs.

So I think we're seeing tremendous benefit that our clients are seeking to deliver these programs in a more consistent, transparent and a cost-effective manner, through our programmatic delivery mechanism. So with that I think we'll take questions.

Sabahat: Thank you both for that. That was a lot of great color that you shared with us. Again, for the benefit of the audience, we do have some questions already; but the platform in front of you does allow you to submit questions as this session goes on.

So maybe just to kick it off, I'll start with a couple of the audience questions here. This one is for Drew. Given your experience at Jacobs, maybe if you can talk about on a relative basis, how does the program management practice at AECOM, what do you see as different versus Jacobs or any other major competitors? What are the business difference – what are the notable differences? And how long could it take – how differentiated could competitors catch up? Just maybe a bit of color on you position yourselves and maybe capabilities that you have here versus other peers.

Drew: Sure. Well, respecting my former colleagues at Jacobs and proprietary information and that sort of thing, I'll talk about what I see as those things that differentiate us. And you can kind of take by inference what I'm really saying others might have in the same respect.

Our biggest competitors in this space, more direct competitors are Jacobs, Bechtel, Parsons. And each of those firms, if I look at some of the parts of our recipe for success, each of those firms has some of those things. They're all respected firms, all compete heavily in this space, and all can do a good job.

However, I really kind of think that – Bev used the word nexus – and under Troy's leadership, how he has committed to leverage AECOM's strength in this way, I've not seen that in any other firm in the industry. Even, I'll tell you, even back to when I was at CH2M Hill and we were leading the industry for a dozen years or so, I did not see the same level of intentionality. I think we took our program management success for granted. We did it and it happened; and we just kept doing it.

I think Troy has brought an intentionality in recognizing both where the market is going and the greatest needs for our clients, matched that with our greatest strengths and the fact that we do have this deep technical expertise. Unlike a management consultant, it would need to partner with a firm like us if they want to get into some deep advice and approach program management services.

We can leverage that expertise that is so deep and strong, especially in sectors like water and transportation, environment. And you move that from producing a product for a client as their designers. Where they say okay, here's our project and we're looking for the best firm to design it. And you take that expertise and you move it into the client organization, not just producing a product, but sitting in the same seat with the client as a part of their team. And you instantly make them a more powerful owner. That now – they'd never delegate the fact that they're going to be the owner, they need to make the key decisions.

But they're not normally equipped to, or have the expertise to make those critical decisions, the right decisions at scale, at pace. And so we bring an incredible amount of expertise into the client team to help them do just all kinds of things. And so we think that we've really just kind of found the right balance and are so committed to this area. As I mentioned, I mean Troy I think it was a month in that he -- and it was the first time that I heard it was when he mentioned it to the investors three years ago that we're going to double the business in three years. That was the first I heard of it. And I thought oh my goodness.

I wish he had told me that before, while we were still kind of in the interview process. But he's committed to this. And the AECOM board and the executive leadership team, Bev and I and the other three global business line leaders, the seven regional execs at AECOM, those 12 execs in the business. It's a full team -- it's a full-court press, everybody committed to this. And that's why we're succeeding. This is not just kind of me and my team and that sort of thing. And so we're committed to it.

And then the other thing I think is that I don't believe that the messaging of the others is as focused as we are on the outcome. That's a risky kind of place to go, because it's a complex world; but they know that we are fully committed to helping them to be successful. And in the course of a 5, 10-year program, there'll be lawsuits; there'll be funding lapses; there'll be regulatory changes; there'll be public perception swings; there'll be leadership changes in the client organization. There'll be a lot of things to navigate.

And so if you're not committed to that outcome that's at the endgame, that at the beginning you said this business case was about, you're going to get into a mode of just kind of supplying P&C and services to the client and sending them a bill. And that you may be doing an okay job with that; but we're kinda ticken that up a notch and saying, no, we're going to continue to help you solve this problem until you're successful at the end of the ring.

Sabahat: Great. And then the next question from the audience. The first portion will be for Dr. Stinson and then maybe the second part for Will here. Is there any way to measure your expertise apart from win rate across your practice, within water? And then as -- and then the second part is, any way we talk about your expertise outside of water compares to your peers? Is it as low ranked as the water practice might be?

Beverley: So in terms of metrics aligned, our technical expertise, I think certainly yes, win rate is a very good indicator. But really, our revenue generation and our EBITDA are really the things that at the end of the day demonstrate the excellence that we are delivering. And we only are able to do that because our clients are seeing the

value. At the end of the day, we bring our best and brightest to our major opportunities. And of course, yes, we win, but then we deliver. And this is where – deliver it efficiently. I think we get it right first time; and I think this is the type of service our clients need. And that's where we get to – I think our repeat business is another tremendous indicator.

If I look at some of our major metros, we dominate in terms of probably 30 to 40% of their CIP. And that's a very clear indicator of our technical capability and our ability to deliver well.

The second part of your question, sorry, I didn't quite understand it. Could you repeat it? [overlapping talk] Okay.

Will: No, I'll just touch on it generally. We've made technical excellence, it's really a hallmark of what AECOM is in the marketplace. And 9 out of 10 times on major pursuits that is a key determining factor, the fact that we've brought a better technical team. And we do think we have the smartest people in the industry; but I'm sure our competitors feel the same.

But back to what Drew spends a lot of time on in terms of how intentional we are, about how we prioritize those resources to the best opportunities, is what's been significant for us in these pursuits.

Troy spoke a few months ago – and I'll just echo a few comments he made – about how we get there. Which is investing heavily in career development and leadership development at AECOM. At any given point in time there's 5,000 people enrolled in some form of technical or leadership development programs. Plus we have our global technical academies and technical practice networks that bring people together across the globe.

And what's incredible about those 5,000 people that are enrolled in some form of leadership development is what happens to the attrition rate. It is low single digits. So you take your top 10% of the workforce, invest in them; create a career path for them; create an incentive for them to want to be a part of the organization, and then you see the attrition rates come down; and you suddenly have a much stronger, more aligned workforce. It gives you a big advantage in the marketplace. That is another area where we consistently providing us an advantage. And it tells us that we think we've got a better mousetrap right now.

Sabahat: Great. And I guess maybe more of a question, again, kind of for both of you, kind of from both of your practices, I guess at what point do you believe your service offerings should begin to command maybe more of a – more pricing power, which would lead to maybe more consistent progress on the margin side on the

top line? If you can maybe talk to your two respective practices and the ability to price as you differentiate yourself and scale up.

Beverley: I'll let you go first Drew.

Drew: Thanks Bev. I think we're about there. I think that a key component of our program management success has been in advisory. We've really been focused in day 1 services and that advice that we're giving clients. And so as you know, firms who do exclusively that sort of service, like management consultants, are able to command higher rates. And so we're starting to incorporate that today into that part of the service that we're providing to our clients.

We also have incredible synergy in being able to tap in our advisory across this great company, even components like AECOM Hunt and Tishman, who incredible dollar and bring that contractor experience into our offering and offer it during an advisory phase. When most clients are kind of fearing well, when this gets to construction, what happens when contractors get their hands on it? And you've got contractors that are actually a part of that initial advice that we're giving to them, it's a powerful offering. Yeah, we're starting to see that we're able to, I think, leverage the value we're providing in our price.

Bev: I think what we're seeing as well is just that when we are delivering these programs, our clients are more aware of the efficiency and having that programmatic overarching perspective. So that you're not recreating elements that are costly elements for every project. The program creates that framework within which all the projects sit. So it moves things. And I think our clients are seeing the benefit in the efficiency and schedule for that. And I believe that that's exactly why we are winning so many programs. Which as Drew said, I think our efficiency is going to lead to a better price point for us.

Will: If I could expound. I think a couple of other financial advantages of this program management focus is that, again, you take that technical expert that does design, which is normally fairly finite in the duration of that work and the scope of that work; and when you move it into the program management space, program management services, when you do very well, tend to grow. They tend to expand. As you kind of earn that trust you show the access that a client has now to this range of resources, through the lifecycle of a program.

Most of them tend to grow from the original scope to where you end up later in years. And so that is a positive financially. The business development costs that you normally have with maybe designs that last a year or 18 months. But most programs last 5 plus years in program management contracts. And so you don't

have that sort of investment to keep the business going, and you have that guaranteed revenue stream.

And so there are a lot of other upsides, as well as the fact that compared to design, where there is a risk component as that design gets constructed, program management lacks that risk component in the service that we're providing to our clients.

Sabahat: That's great. Maybe a bit of a clarification question here for Dr. Stinson. You mentioned CIPs, something along the lines of 30% to 40% of CIPs. If you provide a little bit of color on what that is.

Beverley: Oh, I beg your pardon and I apologize. That's the capital investment plan that an agency has. And so major metros will – let's just take New York, for instance. There's well over 30 billion 10-year capital investment plan for water. Metro Vancouver in the order of 20 billion. And those two examples and AECOM has been pretty much the #1 provider of water engineering services, which is a high maybe at some as high as high 35 to 40% of the overarching infrastructure investment that we've been entrusted with.

As Drew says, when we are performing as that sort of trusted partner, which is what we really become in a programmatic delivery, from the advice to overseeing and executing designs, to bringing it into operations, to optimizing it and bringing the digital along with it, we become a very trusted partner with these organizations. And it leads to major metros will not give their major projects or programs to teams they have not had positive experiences with and know that we can deliver these things. And that is the proof that AECOM brings to these major entities. So I think the capital investment plan is what the CIP was.

Sabahat: Great. And then maybe switching over to Drew. This is a question that we often get along – for companies that are involved in the program management space. Could there be at times a conflict between doing both project management work and design work? Does it allow you to access twice the opportunity? What are some of kind of the bigger picture rules maybe governing that process around being involved early on and then also getting to bid on design work, if you maybe provide some color?

Drew: Sure. The answer is yes, all of the above. There's no one shot, one size-fits-all here in this space. And again, it comes to kind of that relationship with the client; understanding our client; the statutory environment that they're in and especially if it's a public sector client. But we see the full range. We have – since we've gotten into this endeavor, had programs where we were the program manager and design work was added to our scope, because we were the program manager.

So actually the program management work was the entry point, actually, also tackle a portion of the design because of the fact that we had such high credentials, especially in infrastructure design in water and transportation that clients want the best of both worlds, who don't see that as a conflict.

There are other places where we do need to make decisions about – where clients are extremely conservative, kind of statutory space where we'll make the decision what's in the best interest of AECOM and the client. But it's a range. And we find that it is often an entry place that we can spin from a basic program management services into sometimes doing all the design, a portion of the design, especially internationally where delivery of large projects tends to be done quite a bit by design build. It is quite normal for the program management team to do the preliminary design as a part of the pre-procurement of them bringing on the design builder.

And as well as other services, like asset management, facility management, commissioning and other services that the client can actually have us do for them that they don't have to go out and procure separately.

Sabahat: Great. Maybe switching back to the water side here. On PFAS, maybe you could dig in a little bit into where are your largest customers in that practice today? Is it utilities? Is it government? And maybe just talk about where do you see the demand for PFAS coming over the years? Obviously the regulatory landscape is evolving. Still some things to figure out. But maybe you can just talk about which customers are you focusing on? What do you think will grow over the next few years? And then what decisions have to be made at the government level for there to be more visibility on folks that might be sitting on the sidelines, before spending money on this?

Beverley: Actually, we see opportunities right across all of our end markets, public, federal and private. So we are currently engaged probably in projects in each of those areas. The regulations are developing; and I think we will begin to see regulations in the near future coming out in certainly the Americas. I see this emerging now and, in fact, I've been contacted by a great number of agencies in the UK around PFAS. Because we are seeing regulations emerge, not just in drinking water quality, but in bio-solids, environmental regulations, growing water, it's across the full spectrum.

And this is going to be a significant requirement for an infrastructure investment as a result of that. Federally we are supporting various Department of Defense agencies in treating; and in some cases we were able to actually completely destroy the PFAS with our technologies.

And in the private sector we have been – been working with some of the industrial clients across the globe to address their concerns. So I think this is a huge market. I think we have numbers in the – Will, you can keep me straight on this – but \$200 billion investment type of range of investments for PFAS treatment and management. And in the near – coming in the near future. So I think it's really a huge issue.

Will: Yeah, that's about right. And I think we've said it is potentially a few hundred million a year NFR opportunity in excess of where we are today. And today it's less than 1% of our revenue. So as that regulatory side of the story gains traction and clarity here in the coming weeks, we think that will set off a cascading series of catalysts for that investment to begin to accelerate in the coming years.

Sabahat: That's great. And then this was a topic I wanted to touch on a little bit, labor. The question came in for the water side, but maybe I'll pose it to both of you. So on the water side, the investor is saying, doubling in water over five years implies a nearly 20% CAGR. How many people do you need to hire to hit that target? And could labor be a challenge or can you move folks between end markets?

And similarly, another target that Troy outlined at the Investor Day, Drew, was significant growth in your practice, advisory and program management getting to be a pretty big portion of the overall business. We can maybe both of you talk a little bit about the availability of labor for your specific lines of business, please.

Beverley: Well, I think with regard to the labor, we're not concerned about that. I think our global, just our culture of working globally is a tremendous asset. But further bolstered by our enterprise capability centers which bring just tremendous capabilities and delivery opportunities to us.

But the area that we've been seeing big steps forward or accomplishing big steps forward is in using digital tools to deliver some of our work already. And that's become a standard practice across elements of our design business. And so I think that that combination of the digital are huge access to global staffing and our enterprise capabilities. I think we are very comfortable that we're already doing this. Large amount of our work is delivered across the global on any major project. And that is very attractive, frankly. It brings cost savings for our clients as well.

So not concerned with that. I think we are out of the gates ahead of the herd on that particular topic. Drew, do you want to comment?

Drew: Sure. I think we've got a good new story on the labor and talent side in the program management space as well. First of all, and I mentioned that we kind of have become the firm to beat in this space. And that certainly gets the attention of top talent in the industry. We've probably hired 50 of the top program managers in the world – have joined AECOM over the last three years. And I continue to get reach-outs from those who haven't joined us yet who would love to.

And so that has been great when you're working on jobs like California High Speed Rail and Neom and some of the most iconic programs in the world, as the program manager. The top talent would love to be a part of that.

The other is that growth in the program management space is not, though they tend to be large teams -- so here in California I was meeting with our client on California High Speed Rail yesterday. And the team supporting that job is probably about 400 people. But the portion of those individuals who are kind of unique program management type resources -- program managers, program controls, risk managers, delivery managers – is a small percentage of the overall volume of the team.

Most of the team are the folks who are working across AECOM every day in technologists and our design leaders, kind of changing, shifting from being – leading an in-house design, to being the design management team on a program management team, overseeing all the design from all the design firms on a program, or construction managers. So most of the program management folks today who are working on programs around the world, probably close to 4,000 or so, are not program managers. They are that deep technical expertise, that bench that we've got who are just kind of being repurposed and working on higher-value work.

Sabahat: We're a little bit over time here, so I'll try to wrap up shortly. But I've done this question a couple of times here in the panel. So I want to address it. The day 1 work that you talked about, the investor is saying it sounds like it's creeping into the territorial maybe management consultants traditionally were doing. A couple of investors are asking do you partner with them? Do you compete against them? And now you're kind of moving beyond just infrastructure it appears. So just some perspective on that please.

Drew: Sure. I guess we would probably be open to partnering with them if we found that they would bring us value that we didn't already have. But that has not been the case. We're finding that we're pretty capable in that space. As you know, those sorts of assignments are not normally huge volume labor engagements. They tend to be experts that are engaging in qualitative sorts of engagements with our clients. And we have those folks, as well as folks that have joined us from

management consulting firms. So they bring that kind of approach to how we harness our engineering chops and expertise in that sort of engagement. But no, we're doing pretty well in that space and we see that only growing significantly.

Sabahat: And then lastly, just a clarification question on the PFAS comment. The ballpark, \$200 billion of investment over the next few years. Was that just a private sector metric or is that aggregate when we think about that kind of \$200 billion ballpark?

Beverley: My understanding is that's an aggregate across industrial and our public and federal businesses.

Sabahat: Well, great. We've gone a little bit over here, but that was great information. And I want to thank Dr. Stinson and Drew, as well as Will for taking the time to chat with us and for the in-depth information you shared with us and with the audience. Thanks everyone.

Beverley: My pleasure. Thank you.

Sabahat: Thank you.

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