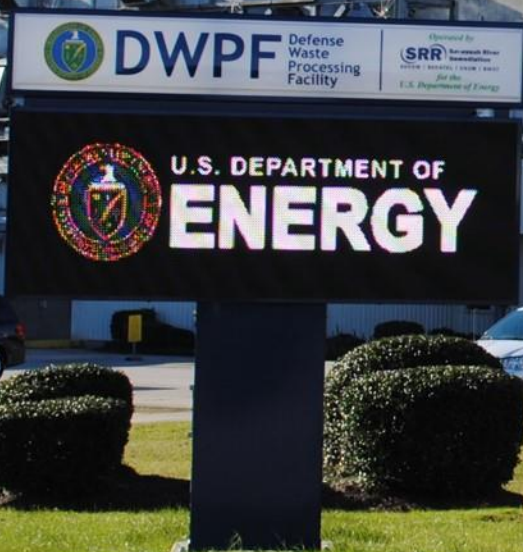


AECOM Value Creation Update: Spin-off of Management Services into Standalone Government Services Business



AECOM

SAVANNAH RIVER SITE
United States

Operating the largest radioactive waste vitrification, or gasification, plant in the world and reducing the largest environmental risk in South Carolina.

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 projections of earnings, revenue, cost savings, profitability, cash flows, tax rates, interest expense, or other financial items, any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, risk profile and investment strategies, any statements regarding future economic conditions or performance and any statements with respect to the potential separation of the Management Services segment from AECOM and the newly-formed entity holding the Management Services segment or its distribution to AECOM shareholders, the expected financial and operational results of AECOM and the Management Services segment after the proposed spin-off, and expectations regarding the Management Services segment’s and AECOM’s respective businesses or organizations after the proposed spin-off. 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; long-term government contracts and subject to uncertainties related to government contract appropriations; government shutdowns; governmental agencies may modify, curtail or terminate our contracts; government contracts are subject to audits and adjustments of contractual terms; losses under fixed-price contracts; limited control over operations 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; high leverage and potential inability to service our debt and guarantees; exposure to Brexit; exposure to political and economic risks in different countries; currency exchange rate 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; uncertainties as to the timing of the potential separation or whether it will be completed; risks associated with the impact or terms of the potential transaction; risks associated with the benefits and costs of the potential transaction, including the risk that the expected benefits of the potential transaction will not be realized within the expected time frame, in full or at all, and the risk that conditions to the potential transaction will not be satisfied and/or that the potential transaction will not be completed within the expected time frame, on the expected terms or at all; the expected tax treatment of the potential transaction; the risk that any consents or approvals required in connection with the potential transaction will not be received or obtained within the expected time frame, on the expected terms or at all; risks associated with expected financing transactions undertaken in connection with the potential transaction and risks associated with indebtedness incurred in connection with the potential transaction; the risk that dissynergy costs, costs of restructuring transactions and other costs incurred in connection with the potential transaction will exceed our estimates or otherwise adversely affect our business or operations; and the impact of the potential transaction on our businesses and the risk that the potential transaction may be more difficult, time-consuming or costly than expected, including the impact on our resources, systems, procedures and controls, diversion of management’s attention and the impact on relationships with customers, governmental authorities, suppliers, employees and other business counterparties; 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. There can be no assurance that the potential transaction will in fact be completed in the manner described or at all. 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 Measures

This presentation 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, adjusted interest expense, 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, adjusted EPS, adjusted net/operating income, adjusted tax rate and adjusted interest expense to exclude the impact of non-operating items, such as amortization expense, taxes, acquisition and integration expenses, and non-core operating losses 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.

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 adjusted EBITDA, adjusted EPS 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 the length, high variability, complexity and low visibility associated with the non-GAAP expectation projected against the multi-year forecast which could significantly impact the GAAP measure.



Michael S. Burke

Chairman

Chief Executive Officer

GORDIE HOWE INTERNATIONAL BRIDGE

United States / Canada

Connecting Windsor, Canada and Detroit, Michigan via a 2.5 kilometer bridge that when completed will be the longest cable-stayed bridge on the continent.

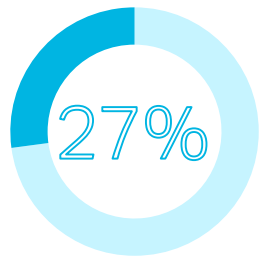
AECOM

A Transformative Step to Maximize Long-Term Value

CREATING TWO INDEPENDENT INDUSTRY LEADERS THROUGH THE SPIN-OFF OF THE MANAGEMENT SERVICES SEGMENT

- ✓ Maximizing the value inherent within our industry-leading franchises by best positioning each business for long-term success
- ✓ Enabling a sharpened strategic focus for both AECOM and the standalone government services business that will allow each company to deliver exceptional value to all stakeholders, including clients, employees and investors

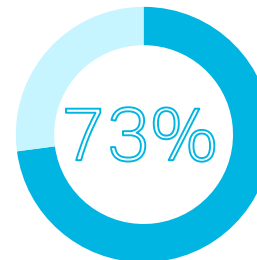
Industry-Leading Standalone Government Services Business:



% of TTM segment
adj. operating
income¹
(as of Q2'19)

- Diverse portfolio with high levels of classified work; more than 10,000 employees with clearance with strong cyber, intel, O&M Department of Energy nuclear remediation and M&O capabilities
- Strong financial performance with \$4 billion in trailing twelve month revenue, a record \$20 billion backlog and a more than \$30 billion pipeline of pursuits
- Poised to capitalize on scale advantage in a fragmented market
- High returns on capital and low capital intensity results in profitable growth and consistently strong cash flow conversion

Industry-Leading Infrastructure Professional Services Business:



% of TTM segment
adj. operating
income¹
(as of Q2'19)

- Consistently ranked #1 by *ENR* in key, high-returning professional services end markets
- Record backlog position and strong infrastructure market fundamentals create visibility for continued revenue growth
- Focused on higher-returning professional services businesses; exiting hard bid, at risk construction with goal of zero self perform construction by year end
- Fully executed margin improvement plan with \$225 million G&A reduction; expected margin benefits in FY'19 and FY'20 with additional opportunities being evaluated

Expected to Drive Value for All Stakeholders

Benefits of the Standalone Government Services Business:

- 1 Enhanced strategic flexibility to pursue profitable growth with scale in a highly fragmented and rapidly growing government services market
- 2 Sharpened management focus and strategy built on the best growth opportunities
- 3 Capital structure and capital allocation policy to optimize for a lower risk profile, consistently strong cash generation and attractive financial returns
- 4 Board of Directors and management team with skills tailored to the unique characteristics of the business
- 5 Increased attractiveness to a broader set of investors best suited to assess operational and financial characteristics and who may better value a standalone investment



Shareholders benefit from distinct investment opportunities with honed operating focus to maximize long-term strategic and financial success



Employees benefit from focused growth investments in unique opportunities of each business



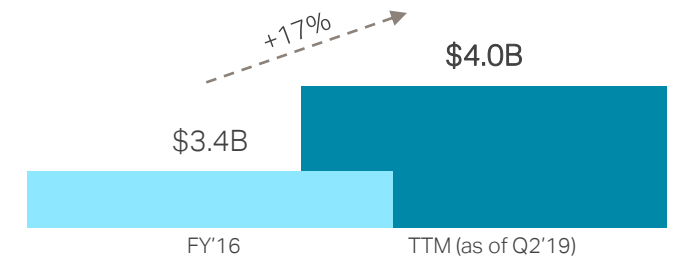
Clients benefit from expanded capability set resulting from targeted investments in growth to complement existing breadth of capabilities

Executing Spin-Off from a Position of Strength

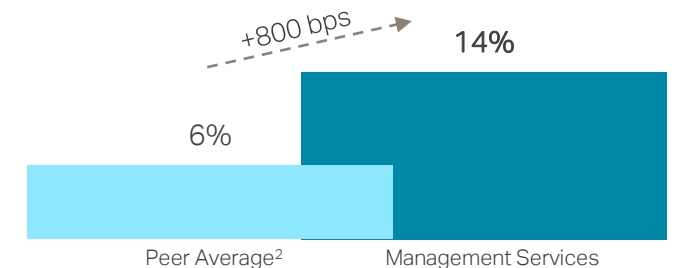
- Following several years of investments in organic growth, the standalone government services business is better positioned than ever to achieve its long-term strategic and financial objectives
- Recent successes reflect strong return on focused business development investments, including 127% backlog growth and a win rate of nearly 50% since the start of fiscal 2017, which has resulted in a record \$20 billion backlog
- Strong revenue growth has outpaced peers and contributed to 18% year-over-year adjusted operating income¹ growth in the first half of fiscal 2019
- The business has an attractive return profile with low incremental capital required to grow and an attractive risk profile
- John Vollmer and the existing strong management team with significant industry experience expected to continue to lead the business, creating continuity and certainty for employees; Randy Wotring expected to be named Chairman of the Board of Directors

Management Services Financial Highlights:

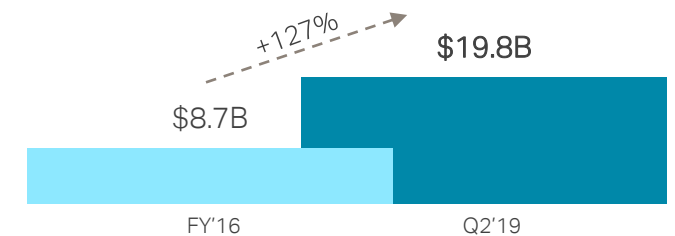
Strong Revenue Growth



Outgrowing Peers *(average quarterly revenue growth over the past year)*



Record Backlog



Today's Announcement Furthers Our Commitment to Value Creation

1 FULLY EXECUTED \$225 MILLION G&A REDUCTION PLAN IN FIRST HALF OF FISCAL 2019

- Positioned the DCS segment to deliver 110+ basis points of adj. operating margin¹ expansion in FY'19 and further improvements expected in FY'20, with additional opportunities for margin expansion being evaluated

2 DE-RISKING OUR BUSINESS PORTFOLIO

- Decision to exit the fixed-price, combined cycle gas power market and at-risk O&G construction markets, including the divestiture of the Production Services business, which closed early in Q3
- Intend to exit hard-bid at-risk construction exposure and no longer pursuing international at-risk construction projects
- End-state goal of zero self perform construction exposure by the end FY'19

3 OPTIMIZING GEOGRAPHIC FOOTPRINTS

- ~40% complete with our plan to exit more than 30 countries
- Focused on improving return on invested capital and return on management time

W. Troy Rudd

Chief Financial Officer



AECOM

PHOENIX SKY HARBOR INTERNATIONAL AIRPORT
TERMINAL 3 MODERNIZATION
United States

Serving as design-builder for the new renovation
of the Terminal 3 facility, north concourse and the
addition of a new south concourse.

Spin-Off Transaction Overview

Financial Profile:

\$4B

*Approximate Expected
FY'19 Revenue*

~6%

*Approximate Expected
FY'19 Adj. Operating Margin¹*

1 EXPECTED TO BE TAX FREE FOR U.S. INCOME TAX PURPOSES

- Subject to customary closing conditions

2 EXPECTED TO BE COMPLETED IN SECOND HALF OF FISCAL 2020

- Focused on executing the spin-off with no expected disruption to day-to-day operations

3 EXPECTED CAPITAL STRUCTURE AND CASH FLOW PROFILE WILL SUPPORT GROWTH STRATEGY

- Expect strong cash flow to facilitate long-term flexibility to pursue growth ambitions and deleveraging

4 NO EXPECTED EARNINGS DILUTION

- Stranded costs are expected to be minimal and addressed through restructuring actions over the next year

Expected Strong Cash Flow and Financial Return Profile

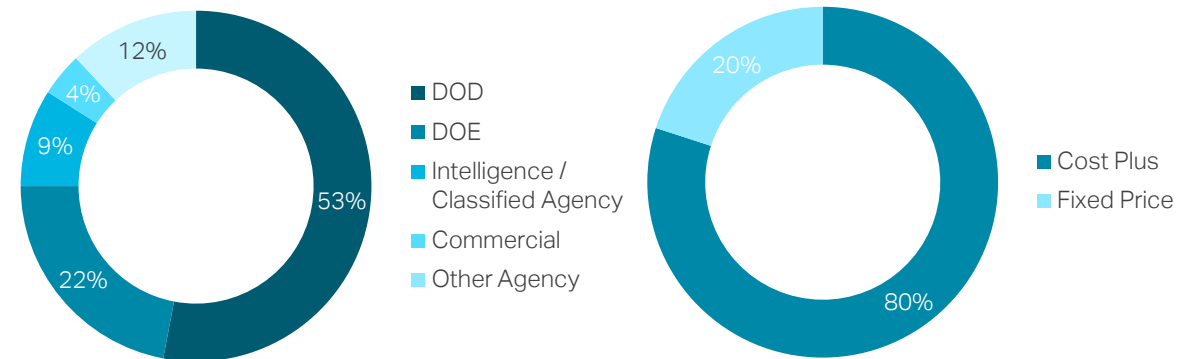
- Strength of cash flow supports long-term value creation opportunity and deleveraging with flexibility to pursue long-term capital allocation priorities
- Capacity to allocate capital to the best and highest use; may include a dividend
- Largest client is the U.S. federal government, which accounts for approximately 93% of revenue
- Strong EBITDA-to-free cash flow conversion; low capex required
- Low incremental capital required to support organic growth results in high returns on capital

Typical Days Sales Outstanding (DSOs)

~50-60

Normalized EBITDA-to-Free Cash Flow Conversion³

~80%+

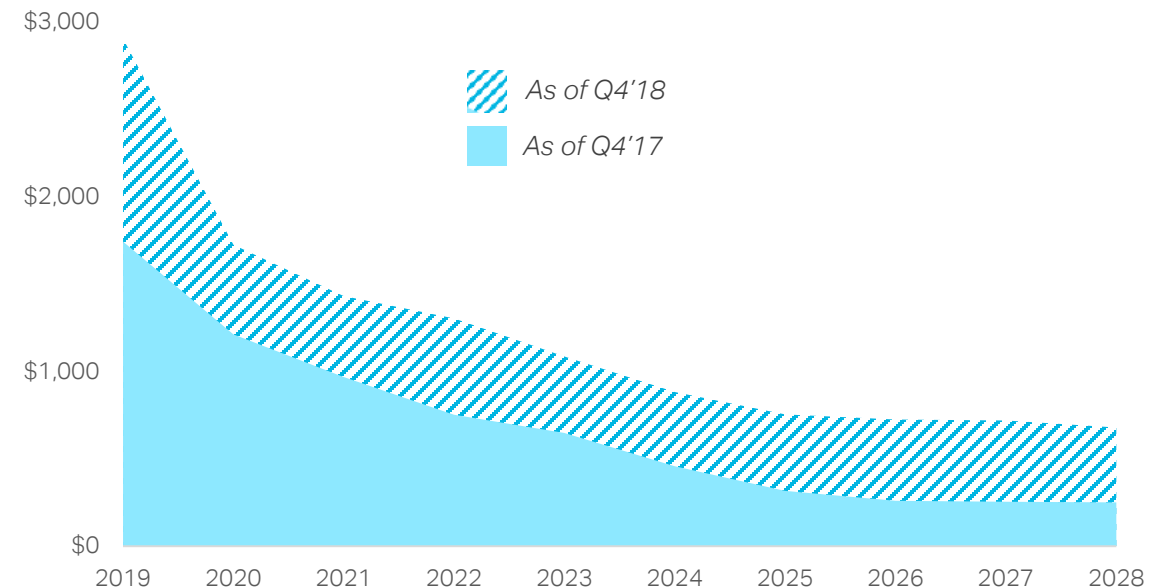


% of Management Services Trailing Twelve Month Revenue (as of Q2'19)

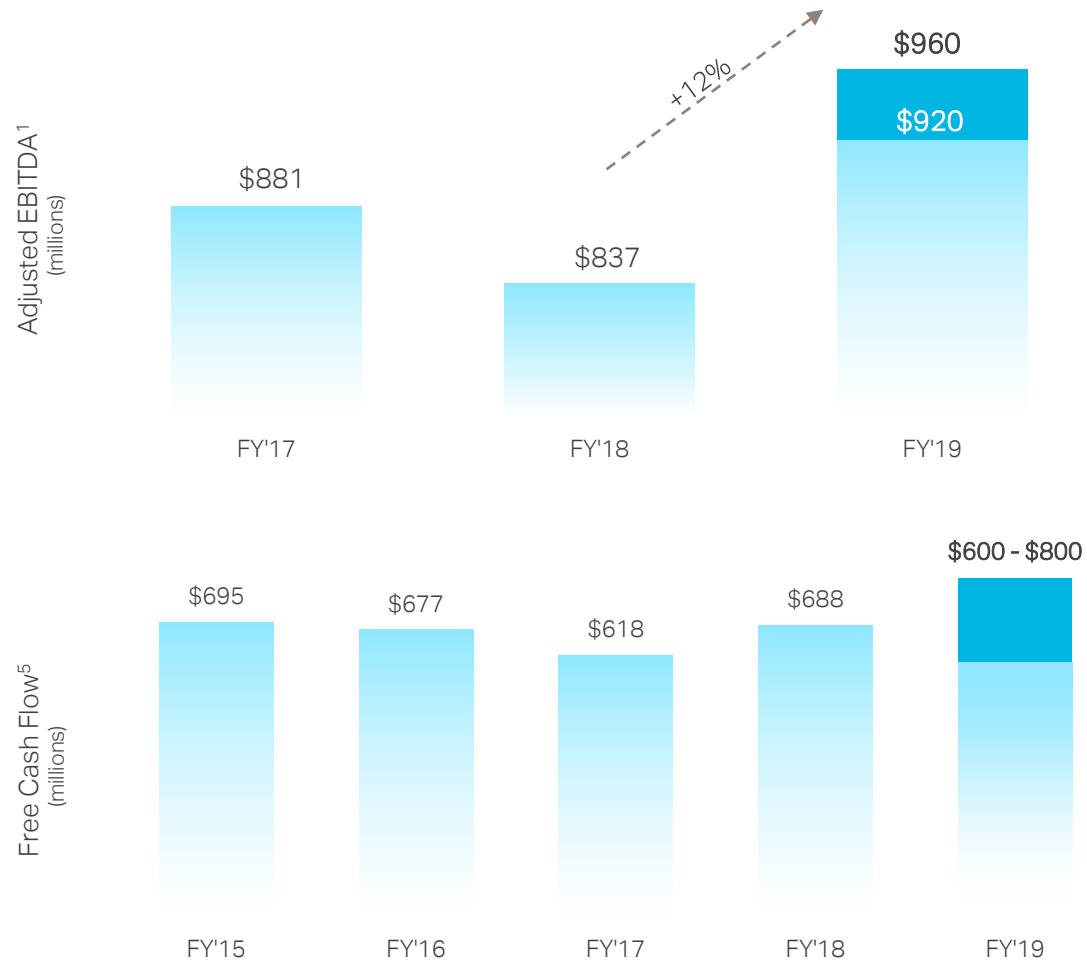
Spinning Management Services from a Position of Strength

- The business is distinguished among government services peers with a record \$20 billion backlog
- Wins over the past two years have substantially increased our visibility, including substantial wins in the classified sector
- Strong returns on organic growth investments and several large wins in the classified sector have resulted in 127% backlog growth since the beginning of FY'17 and high visibility
- Continue to pursue a robust \$30 billion pipeline of opportunities, including an increasing array of opportunities for the Department of Energy

Estimated MS Revenue in Backlog by Year of Expected Recognition⁴



Reaffirming AECOM's Fiscal 2019 Guidance



- Strong first half fiscal 2019 financial results provide us with confidence in achieving our full year guidance
 - \$61 billion backlog following six consecutive quarters of wins in excess of \$6 billion
 - 1.4 book-to-burn ratio over the past two years
 - 16% adjusted EBITDA¹ growth in the first half of fiscal 2019
- Reaffirmed fiscal 2019 guidance including:
 - Adjusted EPS¹ of \$2.60 - \$2.90
 - 12% adjusted EBITDA¹ growth at the mid-point
 - \$600 - \$800 million of free cash flow⁵



Randy Wotring

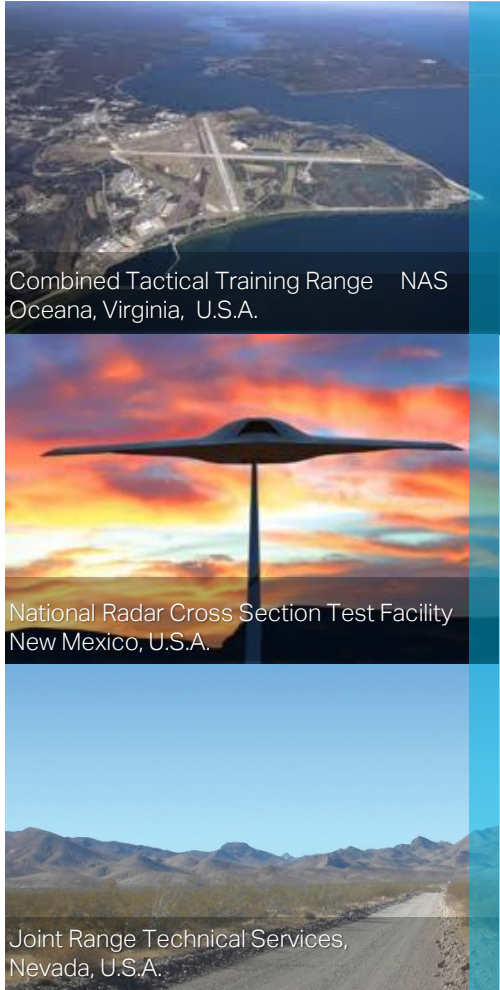
Chief Operating Officer

FORT RUCKER
United States

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

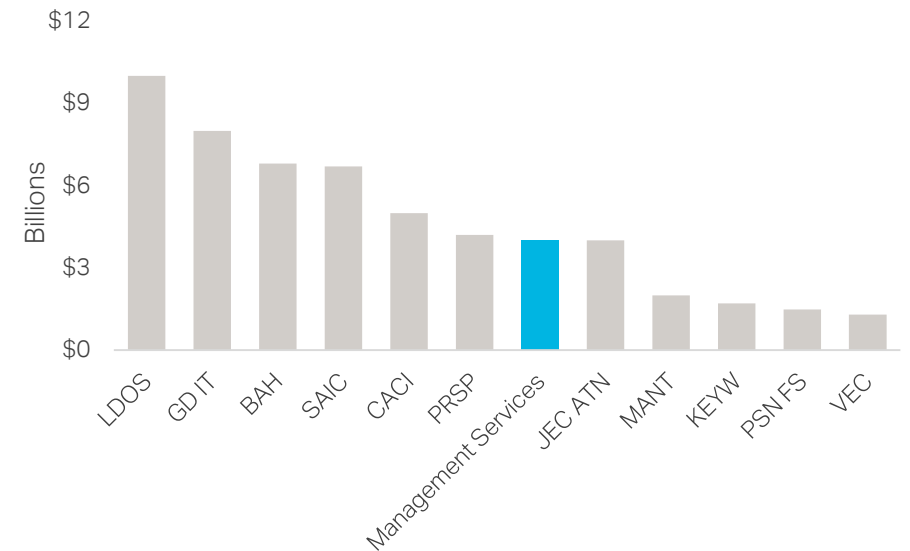
AECOM

Management Services Holds Scale and Considerable Competitive Advantages



- Strong performance record – excellent reputation (mission focus)
- Innovations and efficiencies implemented through continuous process improvement
- Agility to adapt to a changing business environment and mission
- Safety driven culture with an industry-leading total recordable incident rate (TRIR)
- More than 10,000 personnel with security clearance, on par with industry leaders
- Competitive advantages of scale, highly competitive SG&A
- Ability to deliver organic growth and develop critical mass of personnel and expertise

Government Services CY'19E Revenue⁶



10K+ Employees with Security Clearance

Strategy to Capitalize on Substantial Market Opportunities

1 PROTECT THE CORE

- Maintain high win rate on recompetes, pursue Operational Excellence, Culture of Safety & Ethics

2 CAPITALIZE ON TECHNOLOGY FOR DISCRIMINATING SOLUTIONS

- Leverage advancements in technology to create a compelling differentiated value proposition

3 EXPAND TO ADJACENT MARKETS

- Leverage cyber and intel capabilities in commercial markets
- Reestablish material position for the U.S. DOE NNSA and with the UK AWE client
- Department of State Global Security Market

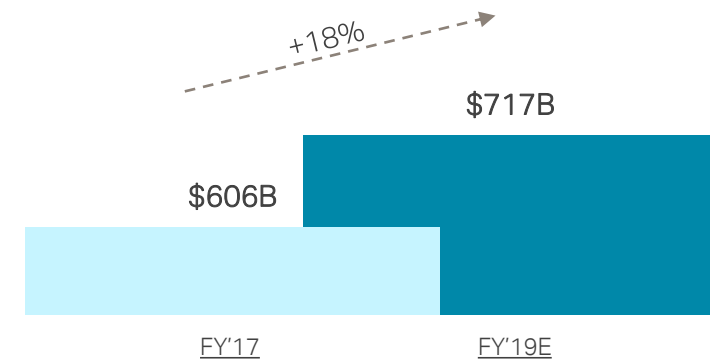
4 FOCUS ON HIGHER-MARGIN SECTORS

- Deliver on DOE pipeline; expand cyber and intel exposure

5 PURSUE NUCLEAR D&D OPPORTUNITIES

- Leverage capabilities from leading position within DOE EM market and more than \$1 billion SONGS D&D project to grow into the nascent more than \$200 billion decommissioning market opportunity

Strong Outlook for Sustained U.S. Federal Spending:



Total U.S. Defense Spending

\$30B

Total Qualified Pipeline of Opportunities

\$30B+

Total Value of DOE Opportunities Over Next 4 Years, a Portion of which Is Included in Qualified Pipeline

SUBSTANTIAL EXPOSURE TO STRONG GROWTH MARKETS

DOD and DOE Account for ~75% of Management Services Revenue

Appendix



DELTA JET ENGINE TEST CELL FACILITY
United States

The new state-of-the-art test cell is the world's largest and the first cell built by a U.S. airline in more than 20 years.

Footnotes

¹ Excluding acquisition and integration related items, transaction-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, restructuring costs 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.

² Company estimates; peers include: Booz Allen, CACI, Fluor Government, Jacobs ATN, KBR Government Solutions, KeyW, Leidos, ManTech, Perspecta, SAIC and Vectrus.

³ Unlevered free cash flow is derived by adding back after-tax adjusted interest expense at a 25% tax rate and is after the deduction of distributions to non-controlling interests.

⁴ Includes proportionate share of unconsolidated joint ventures to provide visibility into future earnings potential.

⁵ Free cash flow is defined as cash flow from operations less capital expenditures net of proceeds from disposals.

⁶ Source: company data and Morgan Stanley estimates.

Regulation G Information

	Twelve Months Ended	
	Sep 30, 2017	Sep 30, 2018
Reconciliation of Segment Income from Operations to Adjusted Income from Operations		
Design & Consulting Services Segment:		
Income from operations	\$ 411.8	\$ 455.1
Non-core operating losses	9.4	2.8
Gain on disposal activities	(0.6)	-
Amortization of intangible assets	27.2	24.6
Adjusted income from operations	<u>\$ 447.8</u>	<u>\$ 482.5</u>
Construction Services Segment:		
Income (loss) from operations	\$ 115.2	\$ (109.2)
Acquisition and integration related items	-	(12.7)
Non-core operating losses	-	54.5
Impairment of assets held for sale, including goodwill	-	168.2
Loss on disposal activities	-	2.9
Amortization of intangible assets	34.4	52.6
Adjusted income from operations	<u>\$ 149.6</u>	<u>\$ 156.3</u>
Management Services Segment:		
Income from operations	\$ 241.1	\$ 199.6
Amortization of intangible assets	52.1	39.2
Adjusted income from operations	<u>\$ 293.2</u>	<u>\$ 238.8</u>

	Six Months Ended	
	Mar 31, 2018	Mar 31, 2019
Management Services Segment:		
Income from operations	\$ 83.5	\$ 102.4
Amortization of intangible assets	19.6	19.0
Adjusted income from operations	<u>\$ 103.1</u>	<u>\$ 121.4</u>

Reconciliation of Net Income Attributable to AECOM to EBITDA and to Adjusted EBITDA

	Three Months Ended		
	Mar 31, 2018	Dec 31, 2018	Mar 31, 2019
Net (loss) income attributable to AECOM	\$ (119.7)	\$ 51.5	\$ 77.9
Income tax (benefit) expense	(24.4)	(33.6)	20.9
(Loss) income attributable to AECOM before income taxes	(144.1)	17.9	98.8
Depreciation and amortization expense ¹	81.0	64.3	66.4
Interest income ²	(3.4)	(2.7)	(3.0)
Interest expense ³	90.9	53.5	55.4
EBITDA	<u>\$ 24.4</u>	<u>\$ 133.0</u>	<u>\$ 217.6</u>
Transaction-related expenses	-	-	4.4
Non-core operating losses	21.2	15.0	1.1
Impairment of assets held for sale, including goodwill	168.2	-	-
Acquisition and integration-related items	-	(3.9)	(3.7)
Restructuring costs	-	63.3	15.9
FX gain from forward currency contract	(9.1)	-	-
Depreciation expense included in non-core operating losses and acquisition and integration expenses above	(3.8)	(0.2)	(0.2)
Adjusted EBITDA	<u>\$ 200.9</u>	<u>\$ 207.2</u>	<u>\$ 235.1</u>

⁽¹⁾ See Reconciliation of Net Income Attributable to AECOM to EBITDA and to Adjusted EBITDA.

⁽²⁾ Included in other income.

⁽³⁾ Excludes depreciation from non-core operating losses, and acquisition and integration-related items.

Regulation G Information

FY19 GAAP Net Income Guidance based on Adjusted EBITDA Guidance

	<u>Fiscal Year End 2019</u>
(in millions, all figures approximate)	
GAAP Net Income Attributable to AECOM Guidance*	\$302 to \$358
Adjusted Net Income Attributable to AECOM Excludes:	
Amortization of intangible assets, net of NCI	\$89
Acquisition and integration-related items	(\$15)
FY19 restructuring	\$80 to \$90
Financing charges in interest expense	\$10
First half fiscal 2019 transaction-related expenses	\$4
First half fiscal 2019 non-core operating losses	\$16
Tax effect of the above items**	(\$51)
Tax expense associated with U.S. tax reform	(\$29)
Adjusted Net Income Attributable to AECOM	<u>\$417 to \$463</u>
Adjusted EBITDA Excludes:	
Adjusted interest expense	\$200
Depreciation	\$150
Taxes	\$150
Adjusted EBITDA Guidance	<u>\$920 to \$960</u>

*Calculated based on the mid-point of AECOM's fiscal year 2019 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.

FY19 GAAP Tax Rate Guidance based on Adjusted Tax Rate Guidance

	<u>Fiscal Year End 2019</u>
(all figures approximate)	
GAAP Tax Rate Guidance	13%
Tax rate impact from adjustments to GAAP earnings	9%
Tax rate impact from inclusion of NCI deduction	3%
Effective Tax Rate for Adjusted Earnings Guidance	<u>25%</u>

FY19 GAAP EPS Guidance based on Adjusted EPS Guidance

	<u>Fiscal Year End 2019</u>
(all figures approximate)	
GAAP EPS Guidance	\$1.89 to \$2.24
Adjusted EPS Excludes:	
Amortization of intangible assets	\$0.56
Acquisition and integration-related items	(\$0.09)
FY19 restructuring	\$0.50 to \$0.56
Financing charges in interest expense	\$0.06
First half fiscal 2019 transaction-related expenses	\$0.03
First half fiscal 2019 non-core operating losses	\$0.10
Tax effect of the above items*	(\$0.32)
Tax expense associated with U.S. tax reform	(\$0.18)
Adjusted EPS Guidance	<u>\$2.60 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.

FY19 GAAP Interest Expense Guidance based on Adjusted Interest Expense Guidance

	<u>Fiscal Year End 2019</u>
(in millions, all figures approximate)	
GAAP Interest Expense Guidance	\$220
Financing charges in interest expense	\$10
Interest income	\$10
Adjusted Interest Expense Guidance	<u>\$200</u>