UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 0-52423

AECOM

(Exact name of registrant as specified in its charter)

Delaware State or Other Jurisdiction Of Incorporation or Organization	**61-1088522** I.R.S. Employer Identification Number
1999 Avenue of the Stars, Suite 2600 **Los Angeles, California** Address of Principal Executive Offices	**90067** Zip Code

(213) 593-8000
Registrant's Telephone Number, Including Area Code

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	ACM	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2020, 160,388,749 shares of the registrant's common stock were outstanding.

AECOM

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AECOM
Consolidated Balance Sheets
(unaudited - in thousands, except share data)

	June 30, 2020	September 30, 2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,229,479	$ 777,476
Cash in consolidated joint ventures	101,789	108,163
Total cash and cash equivalents	1,331,268	885,639
Accounts receivable—net	2,811,876	2,869,216
Contract assets	1,679,983	1,581,806
Prepaid expenses and other current assets	668,739	515,593
Current assets held for sale	743,819	1,633,302
Income taxes receivable	54,677	49,089
TOTAL CURRENT ASSETS	7,290,362	7,534,645
PROPERTY AND EQUIPMENT—NET	388,864	405,605
DEFERRED TAX ASSETS—NET	382,834	288,949
INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES	240,525	256,131
GOODWILL	3,466,584	3,476,813
INTANGIBLE ASSETS—NET	81,995	99,636
OTHER NON-CURRENT ASSETS	153,173	172,134
OPERATING LEASE RIGHT-OF-USE ASSETS	645,391	—
NON-CURRENT ASSETS HELD FOR SALE	395,325	2,316,995
TOTAL ASSETS	$ 13,045,053	$ 14,550,908
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	$ 10,437	$ 47,835
Accounts payable	2,098,617	2,410,838
Accrued expenses and other current liabilities	2,171,389	1,878,319
Income taxes payable	35,966	59,541
Contract liabilities	945,885	851,040
Current liabilities held for sale	475,116	1,163,654
Current portion of long-term debt	14,261	50,527
TOTAL CURRENT LIABILITIES	5,751,671	6,461,754
OTHER LONG-TERM LIABILITIES	132,047	266,304
OPERATING LEASE LIABILITIES	737,438	—
LONG-TERM LIABILITIES HELD FOR SALE	96,915	313,962
DEFERRED TAX LIABILITY—NET	37,910	4,511
PENSION BENEFIT OBLIGATIONS	355,215	387,042
LONG-TERM DEBT	2,047,988	3,217,985
TOTAL LIABILITIES	9,159,184	10,651,558
COMMITMENTS AND CONTINGENCIES (Note 15)		
AECOM STOCKHOLDERS' EQUITY:		
Common stock—authorized, 300,000,000 shares of $0.01 par value as of June 30, 2020 and September 30, 2019; issued and outstanding 160,213,426 and 157,482,983 shares as of June 30, 2020 and September 30, 2019, respectively	1,602	1,575
Additional paid-in capital	4,008,202	3,953,650
Accumulated other comprehensive loss	(805,613)	(864,197)
Retained earnings	540,703	599,548
TOTAL AECOM STOCKHOLDERS' EQUITY	3,744,894	3,690,576
Noncontrolling interests	140,975	208,774
TOTAL STOCKHOLDERS' EQUITY	3,885,869	3,899,350
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 13,045,053	$ 14,550,908

See accompanying Notes to Consolidated Financial Statements.

AECOM
Consolidated Statements of Operations
(unaudited - in thousands, except per share data)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
Revenue	$ 3,189,679	$ 3,360,029	$ 9,671,026	$ 10,128,972
Cost of revenue	3,004,600	3,206,174	9,151,334	9,706,884
Gross profit	185,079	153,855	519,692	422,088
Equity in earnings of joint ventures	8,573	9,186	32,006	32,418
General and administrative expenses	(54,482)	(37,534)	(139,133)	(110,867)
Restructuring costs	(20,300)	—	(96,438)	(79,170)
Income from operations	118,870	125,507	316,127	264,469
Other income	3,119	4,329	9,557	11,075
Interest expense	(34,925)	(40,497)	(112,413)	(121,329)
Income from continuing operations before taxes	87,064	89,339	213,271	154,215
Income tax (benefit) expense for continuing operations	(7,184)	27,203	30,326	(3,114)
Net income from continuing operations	94,248	62,136	182,945	157,329
Net (loss) income from discontinued operations	(126)	43,252	(112,695)	106,664
Net income	94,122	105,388	70,250	263,993
Net income attributable to noncontrolling interests from continuing operations	(3,138)	(6,092)	(12,428)	(17,930)
Net income attributable to noncontrolling interests from discontinued operations	(1,645)	(15,558)	(14,005)	(32,961)
Net income attributable to noncontrolling interests	(4,783)	(21,650)	(26,433)	(50,891)
Net income attributable to AECOM from continuing operations	91,110	56,044	170,517	139,399
Net (loss) income attributable to AECOM from discontinued operations	(1,771)	27,694	(126,700)	73,703
Net income attributable to AECOM	$ 89,339	$ 83,738	$ 43,817	$ 213,102
Net income attributable to AECOM per share:				
Basic continuing operations per share	$ 0.57	$ 0.36	$ 1.07	$ 0.89
Basic discontinued operations per share	$ (0.01)	$ 0.17	$ (0.79)	$ 0.47
Basic earnings per share	$ 0.56	$ 0.53	$ 0.28	$ 1.36
Diluted continuing operations per share	$ 0.56	$ 0.35	$ 1.06	$ 0.88
Diluted discontinued operations per share	$ (0.01)	$ 0.17	$ (0.79)	$ 0.46
Diluted earnings per share	$ 0.55	$ 0.52	$ 0.27	$ 1.34
Weighted average shares outstanding:				
Basic	160,119	157,429	158,667	156,822
Diluted	161,835	159,787	161,070	159,269

See accompanying Notes to Consolidated Financial Statements.

AECOM
Consolidated Statements of Comprehensive Income
(unaudited—in thousands)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
Net income	$ 94,122	$ 105,388	$ 70,250	$ 263,993
Other comprehensive income (loss), net of tax:				
Net unrealized (loss) gain on derivatives, net of tax	(18)	(3,570)	3,157	(13,926)
Foreign currency translation adjustments	71,595	(6,073)	28,113	(5,108)
Pension adjustments, net of tax	4,617	2,464	27,329	4,367
Other comprehensive income (loss), net of tax	76,194	(7,179)	58,599	(14,667)
Comprehensive income, net of tax	170,316	98,209	128,849	249,326
Noncontrolling interests in comprehensive income of consolidated subsidiaries, net of tax	(5,016)	(21,846)	(26,448)	(51,290)
Comprehensive income attributable to AECOM, net of tax	$ 165,300	$ 76,363	$ 102,401	$ 198,036

See accompanying Notes to Consolidated Financial Statements.

AECOM
Consolidated Statements of Stockholders' Equity
(unaudited—in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
BALANCE AT MARCH 31, 2020	$ 1,589	$3,960,123	$ (881,574)	$451,364	$3,531,502	$ 134,021	$ 3,665,523
Net income	—	—	—	89,339	89,339	4,783	94,122
Other comprehensive income	—	—	75,961	—	75,961	233	76,194
Issuance of stock	13	37,859	—	—	37,872	—	37,872
Repurchases of stock	—	(280)	—	—	(280)	—	(280)
Stock based compensation	—	10,500	—	—	10,500	—	10,500
Other transactions with noncontrolling interests	—	—	—	—	—	3,545	3,545
Contributions from noncontrolling interests	—	—	—	—	—	2,108	2,108
Distributions to noncontrolling interests	—	—	—	—	—	(3,715)	(3,715)
BALANCE AT JUNE 30, 2020	$ 1,602	$4,008,202	$ (805,613)	$540,703	$3,744,894	$ 140,975	$ 3,885,869

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
BALANCE AT SEPTEMBER 30 , 2019	$ 1,575	$3,953,650	$ (864,197)	$599,548	$3,690,576	$ 208,774	$ 3,899,350
Net income	—	—	—	43,817	43,817	26,433	70,250
Cumulative effect of accounting standard adoption	—	—	—	(87,787)	(87,787)	—	(87,787)
Other comprehensive income	—	—	58,584	—	58,584	15	58,599
Issuance of stock	40	53,106	—	—	53,146	—	53,146
Repurchases of stock	(13)	(35,591)	—	(14,875)	(50,479)	—	(50,479)
Stock based compensation	—	37,037	—	—	37,037	—	37,037
Other transactions with noncontrolling interests	—	—	—	—	—	4,361	4,361
Disposal of noncontrolling interest of business sold	—	—	—	—	—	(60,089)	(60,089)
Contributions from noncontrolling interests	—	—	—	—	—	8,289	8,289
Distributions to noncontrolling interests	—	—	—	—	—	(46,808)	(46,808)
BALANCE AT JUNE 30, 2020	$ 1,602	$4,008,202	$ (805,613)	$540,703	$3,744,894	$ 140,975	$ 3,885,869

AECOM
Consolidated Statements of Stockholders' Equity
(unaudited—in thousands)

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
BALANCE AT MARCH 31, 2019	$ 1,573	$3,904,298	$ (711,021)	$1,005,086	$4,199,936	$ 194,938	$4,394,874
Net income	—	—	—	83,738	83,738	21,650	105,388
Other comprehensive loss	—	—	(7,375)	—	(7,375)	196	(7,179)
Issuance of stock	4	11,154	—	—	11,158	—	11,158
Repurchases of stock	—	(109)	—	—	(109)	—	(109)
Stock based compensation	—	15,656	—	—	15,656	—	15,656
Contributions from noncontrolling interests	—	—	—	—	—	30	30
Distributions to noncontrolling interests	—	—	—	—	—	(22,806)	(22,806)
BALANCE AT JUNE 30, 2019	$ 1,577	$3,930,999	$ (718,396)	$1,088,824	$4,303,004	$ 194,008	$4,497,012

	Common Stock	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total AECOM Stockholders' Equity	Non-Controlling Interests	Total Stockholders' Equity
BALANCE AT SEPTEMBER 30, 2018	$ 1,570	$3,846,392	$ (703,330)	$ 948,148	$4,092,780	$ 185,594	$4,278,374
Net income	—	—	—	213,102	213,102	50,891	263,993
Cumulative effect of accounting standard adoption	—	—	—	(12,453)	(12,453)	—	(12,453)
Other comprehensive loss	—	—	(15,066)	—	(15,066)	399	(14,667)
Issuance of stock	42	59,833	—	—	59,875	—	59,875
Repurchases of stock	(35)	(22,675)	—	(59,973)	(82,683)	—	(82,683)
Stock based compensation	—	47,449	—	—	47,449	—	47,449
Other transactions with noncontrolling interests	—	—	—	—	—	15,922	15,922
Contributions from noncontrolling interests	—	—	—	—	—	3,180	3,180
Distributions to noncontrolling interests	—	—	—	—	—	(61,978)	(61,978)
BALANCE AT JUNE 30, 2019	$ 1,577	$3,930,999	$ (718,396)	$1,088,824	$4,303,004	$ 194,008	$4,497,012

See accompanying Notes to Consolidated Financial Statements.

AECOM
Consolidated Statements of Cash Flows
(unaudited - in thousands)

	Nine Months Ended June 30, 2020	Nine Months Ended June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 70,250	$ 263,993
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	181,440	193,484
Equity in earnings of unconsolidated joint ventures	(4,084)	(67,030)
Distribution of earnings from unconsolidated joint ventures	47,675	41,195
Non-cash stock compensation	37,037	47,449
Gain on sale of discontinued operations	(161,900)	—
Loss on disposal activities	—	7,404
Impairment of goodwill and intangibles	89,288	—
Foreign currency translation	40,618	(180)
Other non-cash adjustments	14,265	4,835
Changes in operating assets and liabilities:		
Accounts receivable and contract assets	(315,983)	(340,445)
Prepaid expenses and other assets	(51,033)	11,554
Accounts payable	(385,479)	(103,962)
Accrued expenses and other current liabilities	(4,427)	(30,082)
Contract liabilities	82,212	37,612
Other long-term liabilities	40,391	(81,914)
Net cash used in operating activities	(319,730)	(16,087)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of discontinued operations, net of cash disposed	2,218,866	—
Proceeds from disposal of business, net of cash disposed	—	37,412
Investment in unconsolidated joint ventures	(89,283)	(117,251)
Return of investment in unconsolidated joint ventures	17,042	16,584
Proceeds from sale of investments	8,277	11,987
Payments for purchase of investments	—	(3,223)
Proceeds from disposal of property and equipment	2,510	8,250
Payments for capital expenditures	(83,266)	(77,365)
Net cash provided by (used in) investing activities	2,074,146	(123,606)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings under credit agreements	4,203,556	6,396,503
Repayments of borrowings under credit agreements	(5,547,055)	(6,263,040)
Proceeds from issuance of common stock	17,231	24,369
Payments to repurchase common stock	(50,479)	(82,683)
Net distributions to noncontrolling interests	(38,519)	(58,798)
Other financing activities	9,730	30,059
Net cash (used in) provided by financing activities	(1,405,536)	46,410
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(4,885)	117
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	343,995	(93,166)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,080,354	886,733
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,424,349	793,567
LESS: CASH AND CASH EQUIVALENTS INCLUDED IN CURRENT ASSETS HELD FOR SALE	(93,081)	(151,904)
CASH AND CASH EQUIVALENTS OF CONTINUING OPERATIONS AT END OF PERIOD	$ 1,331,268	$ 641,663

See accompanying Notes to Consolidated Financial Statements.

AECOM
Notes to Consolidated Financial Statements
(unaudited)

1. Basis of Presentation

The accompanying consolidated financial statements of AECOM (the Company) are unaudited and, in the opinion of management, include all adjustments, including all normal recurring items necessary for a fair statement of the Company's financial position and results of operations for the periods presented. All intercompany balances and transactions are eliminated in consolidation.

The consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Form 10-K for the fiscal year ended September 30, 2019 (the Annual Report). The accompanying unaudited consolidated financial statements and related notes have been prepared in accordance with generally accepted accounting principles (GAAP) in the United States (U.S.) for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

The consolidated financial statements included in this report have been prepared consistently with the accounting policies described in the Annual Report, except as noted, and should be read together with the Annual Report.

The results of operations for the three and nine months ended June 30, 2020 are not necessarily indicative of the results to be expected for the fiscal year ending September 30, 2020.

On January 31, 2020, the Company completed the sale of its Management Services business to an affiliate of American Securities LLC and Lindsay Goldberg LLC for total consideration of approximately $2.4 billion. Additionally, as discussed in more detail in Note 3, the Company concluded that its self-perform at-risk construction businesses met the criteria for held for sale beginning in the first quarter of fiscal year 2020. Collectively, the Management Services business and the self-perform at-risk construction businesses met the criteria for discontinued operation classification. As a result, the Management Services business and the self-perform at-risk construction businesses are presented in the consolidated statements of operations as discontinued operations for all periods presented. Current and non-current assets and liabilities of these businesses not sold as of the balance sheet date are presented in the consolidated balance sheets as assets and liabilities held for sale.

The Company reports its annual results of operations based on 52 or 53-week periods ending on the Friday nearest September 30. The Company reports its quarterly results of operations based on periods ending on the Friday nearest December 31, March 31, and June 30. For clarity of presentation, all periods are presented as if the periods ended on September 30, December 31, March 31, and June 30.

2. New Accounting Pronouncements and Changes in Accounting

In May 2014, the Financial Accounting Standards Board (FASB) issued new accounting guidance which amended the existing accounting standards for revenue recognition. The new accounting guidance establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company adopted the new standard on October 1, 2018, using the modified retrospective method, which resulted in an adjustment to retained earnings of $7.0 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 4.

In February 2016, the FASB issued new accounting guidance which changes accounting requirements for leases. The new guidance requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance, on the balance sheet. It also requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The Company adopted the new guidance beginning October 1, 2019 using the modified retrospective adoption method, which resulted in a downward adjustment to retained earnings of $87.8 million, net of tax. Detailed disclosures regarding the adoption and other required disclosures can be found in Note 12.

In June 2016, the FASB issued a new credit loss standard that changes the impairment model for most financial assets and some other instruments. The new guidance will replace the current “incurred loss” approach with an “expected loss” model for instruments measured at amortized cost. It also simplifies the accounting model for purchased credit-impaired debt securities and loans. The guidance will be effective for the Company’s fiscal year starting October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its consolidated financial statements.

In February 2018, the FASB issued new accounting guidance which provides entities the option to reclassify certain tax effects from other comprehensive income to retained earnings. The guidance addresses a narrow-scope financial reporting issue related to the tax effects that may become stranded in accumulated other comprehensive income as a result of the enactment of the Tax Cuts and Jobs Act. Under the guidance, an entity may elect to reclassify the income tax effects of the Tax Act on items within accumulated other comprehensive income to retained earnings. The Company has determined that it will not make this election.

In August 2018, the FASB issued new accounting guidance aligning the capitalization of certain implementation costs incurred in a hosting arrangement that is a service contract with previously existing guidance for capitalizing costs incurred to develop internal-use software. The new guidance will be effective for the Company’s fiscal year starting October 1, 2020. The Company does not expect that the adoption of this guidance will have a material impact on its consolidated financial statements.

In August 2018, the FASB issued new accounting guidance amending the disclosure requirements for fair value measurements. These improvements will require more disclosure for amounts measured at fair value, and specifically unobservable inputs used in fair value measurements. The Company expects to adopt the new guidance starting on October 1, 2020. The Company is currently evaluating the impact that the new guidance will have on its financial reporting process.

In March 2020, the Securities and Exchange Commission (SEC) adopted final rules that amend the financial disclosure requirement for guarantors of registered debt securities in Rule 3-10 of Regulation S-X. The new rules amend and streamline the disclosures required by guarantors and issuers of guaranteed securities. Among other things, the new disclosures may be located outside the financial statements. The new rule is effective January 4, 2021, and early adoption is permitted. The Company adopted the new rule on March 31, 2020. Accordingly, the revised condensed consolidating financial information is presented in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

3. Discontinued Operations, Goodwill and Intangible Assets

On October 12, 2019, the Company entered into a purchase and sale agreement with Maverick Purchaser Sub, LLC (“Purchaser”), an affiliate of American Securities LLC and Lindsay Goldberg LLC. Per the terms of that agreement, the Company agreed to transfer the assets and liabilities constituting its Management Services business to the Purchaser. The transaction with the Purchaser closed on January 31, 2020. The Company received total cash consideration of $2.28 billion inclusive of the receipt in the third quarter of fiscal 2020 of $122.0 million received in connection with a favorable working capital purchase price adjustment and contingent consideration of approximately $120 million attributable to certain claims related to prior work and engagements. As a result of the sale, the Company recognized a pre-tax gain of $161.9 million, of which $147.0 million was recognized in the three-month period ending March 31, 2020. During the third quarter of fiscal 2020, the Company’s receipt of $122.0 million in connection with a favorable net working capital purchase price adjustment settlement that resulted in an additional gain of $14.9 million. The gain on sale for both periods was included in the net income from discontinued operations in the Consolidated Statements of Operations.

Additionally, in the first quarter of fiscal 2020, management approved a plan to dispose via sale the Company’s self-perform at-risk construction businesses within the next year. These businesses include the Company’s civil infrastructure, power, and oil and gas construction businesses that were previously reported in the Company’s Construction Services segment. After consideration of the relevant facts, the Company concluded the assets and liabilities of its Management Services business and its self-perform at-risk construction businesses met the criteria for classification as held for sale. Additionally, the Company concluded the actual and proposed disposal activities represented a strategic shift that will have a major effect on the Company’s operations and financial results and qualified for presentation as discontinued operations in accordance with FASB Accounting Standards Codification (ASC) 205-20. Accordingly, the financial results of the Management Services business and the self-perform at-risk construction businesses are presented in the Consolidated Statements of Operations as discontinued operations for all periods presented. Current and non-current assets and liabilities of these businesses not sold as of the balance sheet date are presented in the Consolidated Balance Sheets as assets and liabilities held for sale for both periods presented. Interest expense allocated to discontinued operations represents interest expenses for the discontinued operations’ finance leases and term loans, which were required to be settled upon the sale of the Management Services business.

During the second quarter of fiscal 2020, the Company identified indicators of impairment for the self-perform at-risk construction business. Specifically, the Company's forecast for its Oil and Gas business decreased significantly from the prior period due primarily to the volatility in global oil prices, which negatively impacted forecasts for future revenues and earnings. As a result, the Company assessed the Oil and Gas business for impairment and determined the fair value of the disposal group was lower than its carrying value. Fair value was estimated using Level 3 inputs, such as forecasted cash flows. Accordingly, the Company recorded impairment losses for that business' goodwill of approximately $83.6 million and intangible assets of approximately $5.7 million. These impairment losses were recorded in net loss from discontinued operations on the Consolidated Statements of Operations.

The following table represents summarized balance sheet information of assets and liabilities held for sale (in millions):

	June 30, 2020	September 30, 2019
Cash and cash equivalents	$ 93.1	$ 194.7
Receivables and contract assets	631.1	1,326.6
Other	19.6	112.0
Current assets held for sale	$ 743.8	$ 1,633.3
Property and equipment, net	$ 116.2	$ 153.8
Goodwill	—	1,798.5
Other	279.1	364.7
Non-current assets held for sale	$ 395.3	$ 2,317.0
Accounts payable and accrued expenses	$ 402.5	$ 1,056.0
Contract liabilities	70.5	88.9
Other	2.1	18.8
Current liabilities held for sale	$ 475.1	$ 1,163.7
Long-term liabilities held for sale	$ 96.9	$ 314.0

The following table represents summarized income statement information of discontinued operations (in millions):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Revenue	$ 347.5	$ 1,620.2	$ 2,661.8	$ 4,928.8
Cost of revenue	352.5	1,564.8	2,708.5	4,775.7
Gross (loss) profit	(5.0)	55.4	(46.7)	153.1
Equity in earnings of joint ventures	(11.1)	19.4	(28.0)	34.7
Gain (loss) on disposal activities	14.9	(7.4)	161.9	(7.4)
Transaction costs	—	—	(41.4)	—
Impairment of goodwill and intangibles assets	—	—	(89.3)	—
(Loss) income from operations	(1.2)	67.4	(43.5)	180.4
Other (expense) income	(0.2)	0.8	1.6	2.0
Interest expense	(1.5)	(15.5)	(40.2)	(48.8)
(Loss) income before taxes	(2.9)	52.7	(82.1)	133.6
Income tax (benefit) expense	(2.8)	9.4	30.6	26.9
Net (loss) income from discontinued operations	$ (0.1)	$ 43.3	$ (112.7)	$ 106.7

The significant components included in the Consolidated Statement of Cash Flows for the discontinued operations are as follows (in millions):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Nine months ended June 30, 2020	Nine months ended June 30, 2019
Depreciation and amortization:				
Property and equipment	$ —	$ 6.8	$ 4.6	$ 20.5
Intangible assets and capitalized debt issuance costs	$ 4.3	$ 16.4	$ 35.8	$ 49.4
Payments for capital expenditures	$ (2.6)	$ (4.9)	$ (16.8)	$ (14.1)

The changes in the carrying value of goodwill by reportable segment for the nine months ended June 30, 2020 were as follows:

	September 30, 2019	Foreign Exchange Impact	June 30, 2020
		(in millions)	
Americas	$ 2,623.0	$ (6.3)	$ 2,616.7
International	853.8	(3.9)	849.9
Total	$ 3,476.8	$ (10.2)	$ 3,466.6

The gross amounts and accumulated amortization of the Company's acquired identifiable intangible assets with finite useful lives as of June 30, 2020 and September 30, 2019, included in intangible assets—net, in the accompanying consolidated balance sheets, were as follows:

	June 30, 2020			September 30, 2019			
	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Gross Amount	Accumulated Amortization	Intangible Assets, Net	Amortization Period
			(in millions)				(years)
Backlog and customer relationships	$ 662.1	$ (580.1)	$ 82.0	$ 661.4	$ (561.8)	$ 99.6	1 - 11

Amortization expense of acquired intangible assets included within cost of revenue was $18.3 million and $19.0 million for the nine months ended June 30, 2020 and 2019, respectively. The following table presents estimated amortization expense of existing intangible assets for the remainder of fiscal 2020 and for the succeeding years:

Fiscal Year	**(in millions)**
2020 (three months remaining)	$ 5.6
2021	20.2
2022	19.4
2023	18.6
2024	17.2
Thereafter	1.0
Total	$ 82.0

4. Revenue Recognition

On October 1, 2018, the Company adopted ASC 606 on a modified retrospective basis, which amended the accounting standards for revenue recognition. As a result, the new guidance was applied retrospectively to contracts which were not completed as of October 1, 2018. Contracts completed prior to October 1, 2018 were accounted for using the guidance in effect at that time. The cumulative effect of applying the new guidance was recorded as a reduction to retained earnings at October 1, 2018 of $7.0 million, net of tax. Consistent with the modified retrospective transition approach, the comparative period was not adjusted to conform with current period presentation. The adjustment was primarily related to segmenting or combining contracts by performance obligations identified under the criteria of the new standard.

The new accounting guidance establishes principles for recognizing revenue upon the transfer of control of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The Company generally recognizes revenues over time as performance obligations are satisfied. The Company generally measures its progress to completion using an input measure of total costs incurred divided by total costs expected to be incurred. In the course of providing its services, the Company routinely subcontracts for services and incurs other direct costs on behalf of its clients. These costs are passed through to clients and, in accordance with GAAP, are included in the Company’s revenue and cost of revenue. These subcontractor and other direct costs for the nine months ended June 30, 2020 and 2019 were $5.1 billion and $5.5 billion, respectively.

Recognition of revenue and profit is dependent upon a number of factors, including the accuracy of a variety of estimates made at the balance sheet date, such as engineering progress, material quantities, the achievement of milestones, penalty provisions, labor productivity and cost estimates. Additionally, the Company is required to make estimates for the amount of consideration to be received, including bonuses, awards, incentive fees, claims, unpriced change orders, penalties, and liquidated damages. Variable consideration is included in the estimate of the transaction price only to the extent that a significant reversal would not be probable. Management continuously monitors factors that may affect the quality of its estimates, and material changes in estimates are disclosed accordingly. Costs attributable to claims are treated as costs of contract performance as incurred.

The following summarizes the Company’s major contract types:

Cost Reimbursable Contracts

Cost reimbursable contracts include cost-plus fixed fee, cost-plus fixed rate, and time-and-materials price contracts. Under cost-plus contracts, the Company charges clients for its costs, including both direct and indirect costs, plus a negotiated fee or rate. The Company recognizes revenue based on actual direct costs incurred and the applicable fixed rate or portion of the fixed fee earned as of the balance sheet date. Under time-and-materials price contracts, the Company negotiates hourly billing rates and charges its clients based on the actual time that it expends on a project. In addition, clients reimburse the Company for materials and other direct incidental expenditures incurred in connection with its performance under the contract. The Company may apply a practical expedient to recognize revenue in the amount in which it has the right to invoice if its right to consideration is equal to the value of performance completed to date.

Guaranteed Maximum Price Contracts (GMP)

GMP contracts share many of the same contract provisions as cost-plus and fixed-price contracts. As with cost-plus contracts, clients are provided a disclosure of all the project costs, and a lump sum or percentage fee is separately identified. The Company provides clients with a guaranteed price for the overall project (adjusted for change orders issued by clients) and a schedule including the expected completion date. Cost overruns or costs associated with project delays in completion could generally be the Company's responsibility. For many of the Company's commercial or residential GMP contracts, the final price is generally not established until the Company has subcontracted a substantial percentage of the trade contracts with terms consistent with the master contract, and it has negotiated additional contractual limitations, such as waivers of consequential damages as well as aggregate caps on liabilities and liquidated damages. Revenue is recognized for GMP contracts as project costs are incurred relative to total estimated project costs.

Fixed-Price Contracts

Fixed price contracts include both lump-sum and fixed-unit price contracts. Under lump-sum contracts, the Company performs all the work under the contract for a specified fee. Lump-sum contracts are typically subject to price adjustments if the scope of the project changes or unforeseen conditions arise. Under fixed-unit price contracts, the Company performs a number of units of work at an agreed price per unit with the total payment under the contract determined by the actual number of units delivered. Revenue is recognized for fixed-price contracts using the input method measured on a cost-to-cost basis.

The following tables present the Company's revenues disaggregated by revenue sources:

	Three months ended		Nine months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(in millions)			
Cost reimbursable	$ 1,369.3	$ 1,496.3	$ 4,252.5	$ 4,396.7
Guaranteed maximum price	829.8	950.5	2,706.4	2,984.4
Fixed price	990.6	913.2	2,712.1	2,747.9
Total revenue	$ 3,189.7	$ 3,360.0	$ 9,671.0	$ 10,129.0

	Three months ended		Nine months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(in millions)			
Americas	$ 2,471.8	$ 2,565.2	$ 7,400.5	$ 7,707.6
Europe, Middle East, Africa	359.9	425.4	1,194.9	1,318.9
Asia Pacific	358.0	369.4	1,075.6	1,102.5
Total revenue	$ 3,189.7	$ 3,360.0	$ 9,671.0	$ 10,129.0

As of June 30, 2020, the Company had allocated $19.1 billion of transaction price to unsatisfied or partially satisfied performance obligations, of which approximately 60% is expected to be satisfied within the next twelve months.

Contract liabilities represent amounts billed to clients in excess of revenue recognized to date. The Company recognized revenue of $563.1 million and $485.0 million during the nine months ended June 30, 2020 and 2019, respectively, that was included in contract liabilities as of September 30, 2019 and 2018, respectively.

The Company's timing of revenue recognition may not be consistent with its rights to bill and collect cash from its clients. Those rights are generally dependent upon advance billing terms, milestone billings based on the completion of certain phases of work or when services are performed. The Company's accounts receivable represent amounts billed to clients that have yet to be collected and represent an unconditional right to cash from its clients. Contract assets represent the amount of contract revenue recognized but not yet billed pursuant to contract terms or accounts billed after the balance sheet date. Contract liabilities represent billings as of the balance sheet date, as allowed under the terms of a contract, but not yet recognized as contract revenue pursuant to the Company's revenue recognition policy.

Net accounts receivable consisted of the following:

	June 30, 2020	September 30, 2019
	(in millions)	
Billed	$ 2,293.2	$ 2,284.8
Contract retentions	585.1	641.5
Total accounts receivable—gross	2,878.3	2,926.3
Allowance for doubtful accounts	(66.4)	(57.1)
Total accounts receivable—net	$ 2,811.9	$ 2,869.2

Substantially all contract assets as of June 30, 2020 and September 30, 2019 are expected to be billed and collected within twelve months, except for claims. Significant claims recorded in contract assets and other non-current assets were approximately $110 million as of both June 30, 2020 and September 30, 2019. The asset related to the Deactivation, Demolition, and Removal Project retained from the Purchaser discussed in Note 15 is presented in prepaid expense and other current assets from continuing operations in the Consolidated Balance Sheet. Contract retentions represent amounts invoiced to clients where payments have been withheld from progress payments until the contracted work has been completed and approved by the client. These retention agreements vary from project to project and could be outstanding for several months or years.

Allowances for doubtful accounts have been determined through specific identification of amounts considered to be uncollectible and potential write-offs, plus a non-specific allowance for other amounts for which some potential loss has been determined to be probable based on current and past experience.

Other than the U.S. federal government, no single client accounted for more than 10% of the Company's outstanding receivables at June 30, 2020 and September 30, 2019.

The Company sold trade receivables to financial institutions, of which $140.8 million and $91.9 million were outstanding as of June 30, 2020 and September 30, 2019, respectively. The Company does not retain financial or legal obligations for these receivables that would result in material losses. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institutions with respect to the sold trade receivables.

5. Joint Ventures and Variable Interest Entities

The Company's joint ventures provide architecture, engineering, program management, construction management, operations and maintenance services, and invest in real estate projects. Joint ventures, the combination of two or more partners, are generally formed for a specific project. Management of the joint venture is typically controlled by a joint venture executive committee, comprised of representatives from the joint venture partners. The joint venture executive committee normally provides management oversight and controls decisions which could have a significant impact on the joint venture.

Some of the Company's joint ventures have no employees and minimal operating expenses. For these joint ventures, the Company's employees perform work for the joint venture, which is then billed to a third-party customer by the joint venture. These joint ventures function as pass through entities to bill the third-party customer. For consolidated joint ventures of this type, the Company records the entire amount of the services performed and the costs associated with these services, including the services provided by the other joint venture partners, in the Company's result of operations. For certain of these joint ventures where a fee is added by an unconsolidated joint venture to client billings, the Company's portion of that fee is recorded in equity in earnings of joint ventures.

The Company also has joint ventures that have their own employees and operating expenses, and to which the Company generally makes a capital contribution. The Company accounts for these joint ventures either as consolidated entities or equity method investments based on the criteria further discussed below.

The Company follows guidance on the consolidation of variable interest entities (VIEs) that requires companies to utilize a qualitative approach to determine whether it is the primary beneficiary of a VIE. The process for identifying the primary beneficiary of a VIE requires consideration of the factors that indicate a party has the power to direct the activities that most significantly impact the joint venture's economic performance, including powers granted to the joint venture's program manager, powers contained in the joint venture governing board and, to a certain extent, a company's economic interest in the joint venture. The Company analyzes its joint ventures and classifies them as either:

- a VIE that must be consolidated because the Company is the primary beneficiary or the joint venture is not a VIE and the Company holds the majority voting interest with no significant participative rights available to the other partners; or

- a VIE that does not require consolidation and is treated as an equity method investment because the Company is not the primary beneficiary or the joint venture is not a VIE and the Company does not hold the majority voting interest.

As part of the above analysis, if it is determined that the Company has the power to direct the activities that most significantly impact the joint venture's economic performance, the Company considers whether or not it has the obligation to absorb losses or rights to receive benefits of the VIE that could potentially be significant to the VIE.

Contractually required support provided to the Company's joint ventures is further discussed in Note 15.

Summary of financial information of the consolidated joint ventures is as follows:

	June 30, 2020 (unaudited)	September 30, 2019
	(in millions)	
Current assets	$ 537.4	$ 581.3
Non-current assets	77.6	75.4
Total assets	$ 615.0	$ 656.7
Current liabilities	$ 393.8	$ 432.8
Non-current liabilities	1.5	—
Total liabilities	395.3	432.8
Total AECOM equity	130.7	137.9
Noncontrolling interests	89.0	86.0
Total owners' equity	219.7	223.9
Total liabilities and owners' equity	$ 615.0	$ 656.7

Total revenue of the consolidated joint ventures was $602.1 million and $869.8 million for the nine months ended June 30, 2020 and 2019, respectively. The assets of the Company's consolidated joint ventures are restricted for use only by the particular joint venture and are not available for the general operations of the Company.

Summary of unaudited financial information of the unconsolidated joint ventures, as derived from their unaudited financial statements, is as follows:

	June 30, 2020	September 30, 2019
	(in millions)	
Current assets	$ 1,118.1	$ 1,133.5
Non-current assets	455.1	904.5
Total assets	$ 1,573.2	$ 2,038.0
Current liabilities	$ 962.7	$ 1,115.5
Non-current liabilities	70.0	182.3
Total liabilities	1,032.7	1,297.8
Joint ventures' equity	540.5	740.2
Total liabilities and joint ventures' equity	$ 1,573.2	$ 2,038.0
AECOM's investment in joint ventures	$ 240.5	$ 256.1

	Nine Months Ended	
	June 30, 2020	June 30, 2019
	(in millions)	
Revenue	$ 2,325.7	$ 2,259.4
Cost of revenue	2,281.7	2,186.8
Gross profit	$ 44.0	$ 72.6
Net income	$ 42.7	$ 71.6

Summary of AECOM's equity in earnings of unconsolidated joint ventures is as follows:

	Nine Months Ended	
	June 30, 2020	June 30, 2019
	(in millions)	
Pass through joint ventures	$ 26.0	$ 24.4
Other joint ventures	6.0	8.0
Total	$ 32.0	$ 32.4

6. Pension Benefit Obligations

In the U.S., the Company sponsors various qualified defined benefit pension plans. Benefits under these plans generally are based on the employee's years of creditable service and compensation; however, all U.S. defined benefit plans are closed to new participants and have frozen accruals.

The Company also sponsors various non-qualified plans in the U.S.; all of these plans are frozen. Outside the U.S., the Company sponsors various pension plans, which are appropriate to the country in which the Company operates, some of which are government mandated.

The components of net periodic benefit cost other than the service cost component are included in other income in the consolidated statement of operations. The following table details the components of net periodic benefit cost for the Company’s pension plans for the three and nine months ended June 30, 2020 and 2019:

	Three Months Ended				Nine months Ended			
	June 30, 2020		June 30, 2019		June 30, 2020		June 30, 2019	
	U.S.	Int’l	U.S.	Int’l	U.S.	Int’l	U.S.	Int’l
	(in millions)							
Components of net periodic benefit cost:								
Service costs	$ —	$ 0.1	$ —	$ 0.2	$ —	$ 0.4	$ —	$ 0.4
Interest cost on projected benefit obligation	1.6	5.4	1.1	7.4	4.8	16.7	5.4	22.5
Expected return on plan assets	(1.8)	(9.1)	(2.2)	(9.6)	(5.3)	(27.9)	(6.7)	(28.9)
Amortization of prior service cost	—	—	—	—	0.1	—	0.1	(0.1)
Amortization of net loss	1.3	2.1	1.0	1.0	3.7	6.4	2.9	3.1
Curtailment loss recognized	0.5	—	—	—	0.5	—	—	—
Settlement loss recognized	—	—	—	—	0.5	0.2	0.1	0.1
Net periodic benefit cost	$ 1.6	$ (1.5)	$ (0.1)	$ (1.0)	$ 4.3	$ (4.2)	$ 1.8	$ (2.9)

The total amounts of employer contributions paid for the nine months ended June 30, 2020 were $5.5 million for U.S. plans and $20.7 million for non-U.S. plans. The expected remaining scheduled annual employer contributions for the fiscal year ending September 30, 2020 are $1.7 million for U.S. plans and $6.7 million for non-U.S. plans.

7. Debt

Debt consisted of the following:

	June 30, 2020	September 30, 2019
	(in millions)	
2014 Credit Agreement	$ —	$ 1,182.2
2014 Senior Notes	800.0	800.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	248.2	248.1
Other debt	48.1	122.2
Total debt	2,096.3	3,352.5
Less: Current portion of debt and short-term borrowings	(24.7)	(98.3)
Less: Unamortized debt issuance costs	(23.6)	(36.2)
Long-term debt	$ 2,048.0	$ 3,218.0

The following table presents, in millions, scheduled maturities of the Company’s debt as of June 30, 2020:

Fiscal Year	
2020 (three months remaining)	$ 14.7
2021	12.1
2022	258.2
2023	6.8
2024	3.3
Thereafter	1,801.2
Total	$ 2,096.3

2014 Credit Agreement

The Company entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of subsidiaries of the Company (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers' obligations under the Credit Agreement are secured by a lien on substantially all of the assets of the Company and the Guarantors pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit the ability of the Company and the ability of some of its subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase the allowance for acquisition and integration expenses related to the Company's acquisition of the URS Corporation (URS) in October 2014.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving the Company's international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for the Company's AECOM Capital business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans;" (2) revise the definition of "Working Capital" as used in "Excess Cash Flow;" (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to the Company's ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of the Company's revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce the Company's interest rate borrowing costs as follows: (a) the term loan B facility, at the Company's election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at the Company's election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at the Company's election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of the Company's fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio stepped down to 4.0.

On November 13, 2018, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes.

On January 28, 2020, AECOM entered into Amendment No. 7 to the Credit Agreement which modifies the asset disposition covenant to permit the sale of our Management Services business and the mandatory prepayment provision so that only outstanding term loans were prepaid using the net proceeds from the sale.

On May 1, 2020, the Company entered into Amendment No. 8 to the Credit Agreement which allows for borrowings to be made, until three months after closing, up to an aggregate principal amount of $400,000,000 under a secured delayed draw term loan facility, the proceeds of which are permitted to be used to pay all or a portion of the amounts payable in connection with any tender for or redemption or repayment of the Company's or its subsidiaries' existing senior unsecured notes and any associated fees and expenses. The amendment also revised certain terms and covenants in the Credit Agreement, including by, among other things, the maximum leverage ratio covenant to 4.00:1.00, subject to increases to 4.50:1.00 for certain specified periods in connection with certain material acquisitions, increasing the potential size of incremental facilities under the Credit Agreement, revising the definition of "Consolidated EBITDA" to provide for additional flexibility in the calculation thereof and adding a Eurocurrency Rate floor of 0.75% to the interest rate under the revolving credit facility.

On July 30, 2020, the Company drew $248.5 million on its secured delayed draw term loan facility for the purpose of redeeming all of the 2022 URS Senior Notes.

Under the Credit Agreement, the Company is subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. The Company’s Consolidated Leverage Ratio was 2.8 at June 30, 2020. The Company’s Consolidated Interest Coverage Ratio was 5.2 at June 30, 2020. As of June 30, 2020, the Company was in compliance with the covenants of the Credit Agreement.

At June 30, 2020 and September 30, 2019, outstanding standby letters of credit totaled $21.2 million and $22.8 million, respectively, under the Company’s revolving credit facilities. As of June 30, 2020 and September 30, 2019, the Company had $1,328.8 million and $1,327.2 million, respectively, available under its revolving credit facility.

2014 Senior Notes

On October 6, 2014, the Company completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, the Company completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, the Company redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of June 30, 2020, the estimated fair value of the 2024 Notes was approximately $858.0 million. The fair value of the 2024 Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

On July 21, 2020, the Company completed a cash tender offer for up to $639 million in aggregate principal amount of the 2024 Notes and the 2017 Senior Notes. The Company accepted for purchase all of 2024 Notes validly tendered and not validly withdrawn pursuant to the cash tender offer, amounting to $2.7 million aggregate principal amount of the 2024 Notes. The Company made the cash tender offer at par to satisfy obligations under the indentures governing the 2024 Notes and the 2017 Senior Notes relating to the use of certain cash proceeds from its disposition of the Management Services business, which was completed on January 31, 2020.

At any time prior to July 15, 2024, the Company may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2024 Notes as of June 30, 2020.

2017 Senior Notes

On February 21, 2017, the Company completed a private placement offering of $1,000,000,000 aggregate principal amount of its unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under its Credit Agreement. On June 30, 2017, the Company completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of June 30, 2020, the estimated fair value of the 2017 Senior Notes was approximately $1,065.0 million. The fair value of the 2017 Senior Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, the Company may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a "make whole" premium as of the redemption date, and accrued and unpaid interest to the redemption date.

At any time on or after December 15, 2026, the Company may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

The Company was in compliance with the covenants relating to the 2017 Senior Notes as of June 30, 2020.

URS Senior Notes

In connection with the URS acquisition, the Company assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, the Company redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC (as successor in interest to URS) and are fully and unconditionally guaranteed on a joint-and-several basis by certain former URS domestic subsidiary guarantors.

As of June 30, 2020, the estimated fair value of the 2022 URS Senior Notes was approximately $251.9 million. The carrying value of the 2022 URS Senior Notes on the Company's Consolidated Balance Sheets as of June 30, 2020 was $248.2 million. The fair value of the 2022 URS Senior Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

As of June 30, 2020, the Company was in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. The Company's unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At June 30, 2020 and September 30, 2019, these outstanding standby letters of credit totaled $411.1 million and $470.9 million, respectively. As of June 30, 2020, the Company had $473.5 million available under these unsecured credit facilities.

Effective Interest Rate

The Company's average effective interest rate on its total debt, including the effects of the interest rate swap agreements, during the nine months ended June 30, 2020 and 2019 was 5.2% and 5.1%, respectively.

Interest expense in the consolidated statements of operations included amortization of deferred debt issuance costs for the three and nine months ended June 30, 2020 of $1.3 million and $3.8 million, respectively, and for the three and nine months ended June 30, 2019 of $1.3 million and $3.8 million, respectively.

8. Derivative Financial Instruments and Fair Value Measurements

The Company uses interest rate derivative contracts to hedge interest rate exposures on the Company's variable rate debt. The Company enters into foreign currency derivative contracts with financial institutions to reduce the risk that its cash flows and earnings will be adversely affected by foreign currency exchange rate fluctuations. The Company's hedging program is not designated for trading or speculative purposes.

The Company recognizes derivative instruments as either assets or liabilities on the accompanying consolidated balance sheets at fair value. The Company records changes in the fair value (i.e., gains or losses) of the derivatives that have been designated as accounting hedges in the accompanying consolidated statements of operations as cost of revenue, interest expense or to accumulated other comprehensive loss in the accompanying consolidated balance sheets.

Cash Flow Hedges

The Company uses interest rate swap agreements designated as cash flow hedges to fix the variable interest rates on portions of the Company's debt. The Company initially reports any gain on the effective portion of a cash flow hedge as a component of accumulated other comprehensive loss. Depending on the type of cash flow hedge, the gain is subsequently reclassified to interest expense when the interest expense on the variable rate debt is recognized. If the hedged transaction becomes probable of not occurring, any gain or loss related to interest rate swap agreements would be recognized in other income.

The notional principal in U.S. dollar (USD), Canadian dollar (CAD), and Australian dollar (AUD), fixed rates and related expiration dates of the Company's outstanding interest rate swap agreements were as follows:

	June 30, 2020		
Notional Amount Currency	**Notional Amount (in millions)**	**Fixed Rate**	**Expiration Date**
USD	200.0	2.60%	February 2023

Notional Amount Currency	September 30, 2019 Notional Amount (in millions)	Fixed Rate	Expiration Date
AUD	200.0	2.19%	February 2021
CAD	400.0	2.49%	September 2022
USD	200.0	2.60%	February 2023

Other Foreign Currency Forward Contracts

The Company uses foreign currency forward contracts which are not designated as accounting hedges to hedge intercompany transactions and other monetary assets or liabilities denominated in currencies other than the functional currency of a subsidiary. Gains and losses on these contracts were not material for the nine months ended June 30, 2020 and 2019.

Fair Value Measurements

The Company's non-pension financial assets and liabilities recorded at fair values relate to derivative instruments and were not material at June 30, 2020 or September 30, 2019.

See Note 14 for accumulated balances and reporting period activities of derivatives related to reclassifications out of accumulated other comprehensive loss for the nine months ended June 30, 2020 and 2019. Amounts recognized in accumulated other comprehensive loss from the Company's foreign currency options were immaterial for all periods presented. Amounts reclassified from accumulated other comprehensive loss into income from the foreign currency options were immaterial for all periods presented. Additionally, there were no material losses recognized in income due to amounts excluded from effectiveness testing from the Company's interest rate swap agreements.

9. Share-based Payments

The fair value of the Company's employee stock option awards is estimated on the date of grant. The expected term of awards granted represents the period of time the awards are expected to be outstanding. The risk-free interest rate is based on U.S. Treasury bond rates with maturities equal to the expected term of the stock option on the grant date. The Company uses historical data as a basis to estimate the probability of forfeitures.

Stock option activity for the nine months ended June 30 was as follows:

	2020		2019	
	Shares of stock under options (in millions)	Weighted average exercise price	Shares of stock under options (in millions)	Weighted average exercise price
Outstanding at September 30, prior year	0.1	$ 31.62	0.6	$ 31.62
Options granted	—	—	—	—
Options exercised	—	—	—	—
Options forfeited or expired	—	—	(0.5)	31.62
Outstanding at June 30	0.1	31.62	0.1	31.62
Vested and expected to vest in the future as of June 30	0.1	$ 31.62	0.1	$ 31.62

The Company grants stock units to employees under its Performance Earnings Program (PEP), whereby units are earned and issued dependent upon meeting established cumulative performance objectives and vest over a three-year service period. Additionally, the Company issues restricted stock units to employees which are earned based on service conditions. The grant date fair value of PEP awards and restricted stock unit awards is that day's closing market price of the Company's common stock. The weighted average grant date fair value of PEP awards was $42.99 and $27.53 during the nine months ended June 30, 2020 and 2019, respectively. The weighted average grant date fair value of restricted stock unit awards was $42.25 and $27.68 during the nine months ended June 30, 2020 and 2019, respectively. Total compensation expense related to these share-based payments including stock options was $37.0 million and $47.4 million during the nine months ended June 30, 2020 and 2019, respectively. Unrecognized compensation expense related to total share-based payments outstanding as of June 30, 2020 and September 30, 2019 was $55.2 million and $74.6 million, respectively, to be recognized on a straight-line basis over the awards' respective vesting periods which are generally three years.

10. Income Taxes

The Company's effective tax rate was 14.2% and (2.0)% for the nine months ended June 30, 2020 and 2019, respectively. The most significant items contributing to the difference between the statutory U.S. federal corporate tax rate of 21.0% and the Company's effective tax rate for the nine-month period ended June 30, 2020 were a tax benefit of $25.4 million related to the release of a valuation allowance on net operating losses and a benefit of $22.9 million related to income tax credits and incentives, partially offset by tax expense of $21.7 million related to nondeductible costs and tax expense of $9.0 million related to state income tax. All of these items, except for the valuation allowance release, are expected to have a continuing impact on the effective tax rate for the remainder of the fiscal year.

The most significant items contributing to the difference between the statutory U.S. federal income tax rate of 21.0% and the Company's effective tax rate for the nine-month period ended June 30, 2019 were a $38.1 million benefit related to the release of a valuation allowance on foreign tax credits and a $18.2 million benefit related to income tax credits and incentives, partially offset by tax expense of $12.1 million related to nondeductible costs.

During the third quarter of fiscal 2020, the Company approved a tax planning strategy and began restructuring certain operations in Canada which resulted in the release of a valuation allowance related to net operating losses in the amount of $25.4 million. The Company is now forecasting the utilization of the net operating losses within the foreseeable future. The new positive evidence was evaluated against any negative evidence to determine the valuation allowance was no longer needed.

During the first quarter of fiscal 2019, a valuation allowance in the amount of $38.1 million related to foreign tax credits was released due to sufficient positive evidence obtained during the quarter. The positive evidence included the issuance of regulations during the quarter related to *The Tax Cuts and Jobs Act* (Tax Act) and forecasting the utilization of the foreign tax credits within the foreseeable future. The Company evaluated the new positive evidence against any negative evidence to determine the valuation allowance was no longer needed.

In March 2020, the U.S. federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Company did not recognize any significant benefits to the income tax provision as a result of the CARES Act.

As a result of internal restructuring and the sale of the Management Services business during the second quarter of fiscal 2020, the Company recorded $62.3 million of tax expense in the second quarter of fiscal 2020 in net income from discontinued operations which included a $52.0 million reduction of tax attributes to related goodwill and intangibles and the current U.S. federal and state tax impacts of the sale.

The Company is utilizing the annual effective tax rate method under ASC 740 to compute its interim tax provision. The Company's effective tax rate fluctuates from quarter to quarter due to various factors including the change in the mix of global income and expenses, outcomes of administrative audits, changes in the assessment of valuation allowances due to management's consideration of new positive or negative evidence during the quarter, and changes in enacted tax laws. Many international legislative and regulatory bodies have proposed legislation that could significantly impact how our international business activities are taxed. These proposed changes could have a material impact on the Company's income tax expense and deferred tax balances.

The Company is currently under tax audit in several jurisdictions including the U.S. and believes the outcomes which are reasonably possible within the next twelve months, including lapses in statutes of limitations, could result in future adjustments, but will not result in a material change in the liability for uncertain tax positions.

Generally, the Company does not provide for U.S. taxes or foreign withholding taxes on gross book-tax differences in its non-U.S. subsidiaries because such basis differences of approximately $1.7 billion are able to and intended to be reinvested indefinitely. If these basis differences were distributed, foreign tax credits could become available under current law to partially or fully reduce the resulting U.S. income tax liability. There may also be additional U.S. or foreign income tax liability upon repatriation, although the calculation of such additional taxes is not practicable.

11. Earnings Per Share

Basic earnings per share (EPS) excludes dilution and is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding for the period. Diluted EPS is computed by dividing net income attributable to AECOM by the weighted average number of common shares outstanding and potential common shares for the period. The Company includes as potential common shares the weighted average dilutive effects of equity awards using the treasury stock method. For the three and nine months ended June 30, 2020 and 2019, equity awards excluded from the calculation of potential common shares were not significant .

The following table sets forth a reconciliation of the denominators for basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(in millions)			
Denominator for basic earnings per share	160.1	157.4	158.7	156.8
Potential common shares	1.7	2.4	2.4	2.5
Denominator for diluted earnings per share	161.8	159.8	161.1	159.3

12. Leases

On October 1, 2019, the Company adopted FASB ASC 842 on a modified retrospective basis, which amended the accounting standards for leases. Accordingly, the Company applied the new guidance as of the date of adoption with a cumulative-effect adjustment recorded through equity. Prior periods have not been restated as a result of the adoption. Retained earnings decreased $87.8 million due to the adoption, primarily from impairment of the right-of-use assets associated with office building leases. Consistent with its restructuring plan to improve profitability in the fourth quarter of fiscal 2019, the Company evaluated its real estate portfolio to better align with the ongoing business. The Company identified leased assets that were not recoverable, and recorded an adjustment to retained earnings upon adoption reflecting the impairment of those long-lived leased assets. Fair value of the right-of-use assets was determined primarily using Level 3 inputs, such as discounted cash flows.

The Company also applied transition elections that allow it to avoid reassessment of whether expired or expiring leases are or contain leases, lease classification, and initial direct costs. Adoption of the new lease guidance did not significantly change the Company’s accounting for finance leases, which were previously referred to as capital leases.

The Company and its subsidiaries are lessees in non-cancelable leasing agreements for office buildings and equipment. Substantially all of the Company’s office building leases are operating leases, and its equipment leases are both operating and finance leases. The Company groups lease and non-lease components for its equipment leases into a single lease component but separates lease and non-lease components for its office building leases.

The Company recognizes a right-of-use asset and lease liability for its operating leases at the commencement date equal to the present value of the contractual minimum lease payments over the lease term. The present value is calculated using the rate implicit in the lease, if known, or the Company’s incremental secured borrowing rate. The discount rate used for operating leases is primarily determined based on an analysis the Company’s incremental secured borrowing rate, while the discount rate used for finance leases is primarily determined by the rate specified in the lease.

The related lease payments are expensed on a straight-line basis over the lease term, including, as applicable, any free-rent period during which the Company has the right to use the asset. For leases with renewal options where the renewal is reasonably assured, the lease term, including the renewal period, is used to determine the appropriate lease classification and to compute periodic rental expense. Leases with initial terms shorter than 12 months are not recognized on the balance sheet, and lease expense is recognized on a straight-line basis.

The components of lease expenses are as follows:

	Three Months Ended June 30, 2020	Nine Months Ended June 30, 2020
	(in millions)	
Operating lease cost	$ 49.3	$ 144.7
Finance lease cost:		
Amortization of right-of-use assets	4.2	13.9
Interest on lease liabilities	0.4	1.4
Variable lease cost	8.8	27.1
Short-term lease cost	6.7	12.5
Total lease cost	$ 69.4	$ 199.6

Additional balance sheet information related to leases is as follows:

(in millions except as noted)	Balance Sheet Classification	June 30, 2020
Assets:		
Operating lease assets	Operating lease right-of-use assets	$ 645.4
Finance lease assets	Property and equipment – net	24.7
Total lease assets		$ 670.1
Liabilities:		
Current:		
Operating lease liabilities	Accrued expenses and other current liabilities	$ 167.0
Finance lease liabilities	Current portion of long-term debt	8.4
Total current lease liabilities		175.4
Non-current:		
Operating lease liabilities	Operating lease liabilities, noncurrent	737.4
Finance lease liabilities	Long-term debt	18.7
Total non-current lease liabilities		$ 756.1

	June 30, 2020
Weighted average remaining lease term (in years):	
Operating leases	7.4
Finance leases	3.4
Weighted average discount rates:	
Operating leases	4.6 %
Finance leases	4.4 %

Additional cash flow information related to leases is as follows:

	Nine months Ended June 30, 2020 (in millions)
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 168.3
Operating cash flows from finance leases	1.3
Financing cash flows from finance leases	11.9
Right-of-use assets obtained in exchange for new operating leases	90.8
Right-of-use assets obtained in exchange for new finance leases	17.5

Total remaining lease payments under both the Company's operating and finance leases are as follows:

Fiscal Year	Operating Leases (in millions)	Finance Leases
2020 (three months remaining)	$ 57.3	$ 3.4
2021	201.5	8.4
2022	167.3	7.3
2023	131.7	5.4
2024	105.7	3.4
Thereafter	410.0	1.2
Total lease payments	$ 1,073.5	$ 29.1
Less: Amounts representing interest	$ (169.1)	$ (2.0)
Total lease liabilities	$ 904.4	$ 27.1

13. Other Financial Information

Accrued expenses and other current liabilities consist of the following:

	June 30, 2020	September 30, 2019
	(in millions)	
Accrued salaries and benefits	$ 643.0	$ 681.5
Accrued contract costs	1,041.2	927.1
Other accrued expenses	487.2	269.7
	$ 2,171.4	$ 1,878.3

Accrued contract costs above include balances related to professional liability accruals of $560.7 million and $536.6 million as of June 30, 2020 and September 30, 2019, respectively. The remaining accrued contract costs primarily relate to costs for services provided by subcontractors and other non-employees. Liabilities recorded related to accrued contract losses were not material as of June 30, 2020 and September 30, 2019. The Company did not have material revisions to estimates for contracts where revenue is recognized using the percentage-of-completion method during the nine months ended June 30, 2020 and 2019. In the first quarter of fiscal 2019, the Company commenced a restructuring plan to improve profitability. The Company expects to incur restructuring costs of $160 million to $190 million in fiscal year 2020 primarily related to costs associated with the sale of the Management Services business and expected exit of self-perform at-risk construction in the civil infrastructure, power, and oil and gas businesses. During the first nine months of fiscal 2020, the Company incurred restructuring expenses of $96.4 million, including personnel and other costs of $83.5 million and real estate costs of $12.9 million, of which $33.0 million was accrued and unpaid at June 30, 2020. During the first nine months of fiscal 2019, the Company incurred restructuring expenses of $79.2 million, including personnel and other costs of $57.1 million and real estate costs of $22.1 million.

During the third quarter of fiscal 2020, the Company applied for subsidies in accordance with various government legislations. The Company recognized $12.3 million in the third quarter of fiscal 2020 as a reduction to cost of revenues as the expected amount of the net subsidy.

14. Reclassifications out of Accumulated Other Comprehensive Loss

The accumulated balances and reporting period activities for the three and nine months ended June 30, 2020 and 2019 related to reclassifications out of accumulated other comprehensive loss are summarized as follows (in millions):

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Gain/(Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at March 31, 2020	$ (280.0)	$ (592.1)	$ (9.5)	$ (881.6)
Other comprehensive income (loss) before reclassification	1.7	71.4	(0.8)	72.3
Amounts reclassified from accumulated other comprehensive loss	2.9	—	0.8	3.7
Balances at June 30, 2020	$ (275.4)	$ (520.7)	$ (9.5)	$ (805.6)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Gain/(Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at March 31, 2019	$ (200.4)	$ (501.5)	$ (9.1)	$ (711.0)
Other comprehensive income (loss) before reclassification	1.0	(6.2)	(4.7)	(9.9)
Amounts reclassified from accumulated other comprehensive loss	1.4	—	1.1	2.5
Balances at June 30, 2019	$ (198.0)	$ (507.7)	$ (12.7)	$ (718.4)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Gain/(Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2019	$ (302.7)	$ (548.7)	$ (12.8)	$ (864.2)
Other comprehensive (loss) income before reclassification	(2.0)	28.0	(5.3)	20.7
Amounts reclassified from accumulated other comprehensive loss	29.3	—	8.6	37.9
Balances at June 30, 2020	$ (275.4)	$ (520.7)	$ (9.5)	$ (805.6)

	Pension Related Adjustments	Foreign Currency Translation Adjustments	Gain/(Loss) on Derivative Instruments	Accumulated Other Comprehensive Loss
Balances at September 30, 2018	$ (202.3)	$ (502.2)	$ 1.2	$ (703.3)
Other comprehensive loss before reclassification	(0.2)	(5.5)	(16.2)	(21.9)
Amounts reclassified from accumulated other comprehensive loss	4.5	—	2.3	6.8
Balances at June 30, 2019	$ (198.0)	$ (507.7)	$ (12.7)	$ (718.4)

15. Commitments and Contingencies

The Company records amounts representing its probable estimated liabilities relating to claims, guarantees, litigation, audits and investigations. The Company relies in part on qualified actuaries to assist it in determining the level of reserves to establish for insurance-related claims that are known and have been asserted against it, and for insurance-related claims that are believed to have been incurred based on actuarial analysis, but have not yet been reported to the Company's claims administrators as of the respective balance sheet dates. The Company includes any adjustments to such insurance reserves in its consolidated results of operations. The Company's reasonably possible loss disclosures are presented on a gross basis prior to the consideration of insurance recoveries. The Company does not record gain contingencies until they are realized. In the ordinary course of business, the Company may not be aware that it or its affiliates are under investigation and may not be aware of whether or not a known investigation has been concluded.

In the ordinary course of business, the Company may enter into various arrangements providing financial or performance assurance to clients, lenders, or partners. Such arrangements include standby letters of credit, surety bonds, and corporate guarantees to support the creditworthiness or the project execution commitments of its affiliates, partnerships and joint ventures. Performance arrangements typically have various expiration dates ranging from the completion of the project contract and extending beyond contract completion in some circumstances such as for warranties. The Company may also guarantee that a project, when complete, will achieve specified performance standards. If the project subsequently fails to meet guaranteed performance standards, the Company may incur additional costs, pay liquidated damages or be held responsible for the costs incurred by the client to achieve the required performance standards. The potential payment amount of an outstanding performance arrangement is typically the remaining cost of work to be performed by or on behalf of third parties. Generally, under joint venture arrangements, if a partner is financially unable to complete its share of the contract, the other partner(s) may be required to complete those activities.

At June 30, 2020, the Company was contingently liable in the amount of approximately $432.3 million in issued standby letters of credit and $5.2 billion in issued surety bonds primarily to support project execution.

In the ordinary course of business, the Company enters into various agreements providing financial or performance assurances to clients on behalf of certain unconsolidated partnerships, joint ventures and other jointly executed contracts. These agreements are entered into primarily to support the project execution commitments of these entities.

The Company's registered investment adviser jointly manages and sponsors the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company indirectly holds an equity interest and has an ongoing capital commitment to fund investments. At June 30, 2020, the Company has capital commitments of approximately $22.5 million to the Fund over the next 8 years.

In addition, in connection with the investment activities of AECOM Capital, the Company provides guarantees of contractual obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees.

Department of Energy Deactivation, Demolition, and Removal Project

AECOM Energy and Construction, Inc, an Ohio corporation, a former affiliate of the Company ("Former Affiliate") executed a cost-reimbursable task order with the Department of Energy (DOE) in 2007 to provide deactivation, demolition and removal services at a New York State project site that, during 2010, experienced contamination and performance issues. In February 2011, the Former Affiliate and the DOE executed a Task Order Modification that changed some cost-reimbursable contract provisions to at-risk. The Task Order Modification, including subsequent amendments, required the DOE to pay all project costs up to $106 million, required the Former Affiliate and the DOE to equally share in all project costs incurred from $106 million to $146 million, and required the Former Affiliate to pay all project costs exceeding $146 million.

Due to unanticipated requirements and permitting delays by federal and state agencies, as well as delays and related ground stabilization activities caused by Hurricane Irene in 2011, the Former Affiliate was required to perform work outside the scope of the Task Order Modification. In December 2014, the Former Affiliate submitted an initial set of claims against the DOE pursuant to the Contracts Disputes Acts seeking recovery of $103 million, including additional fees on changed work scope (the "2014 Claims"). On December 6, 2019, the Former Affiliate submitted a second set of claims against the DOE seeking recovery of an additional $60.4 million, including additional project costs and delays outside the scope of the contract as a result of differing site and ground conditions (the "2019 Claims"). The Former Affiliate also submitted three alternative breach of contract claims to the 2014 and 2019 Claims that may entitle the Former Affiliate to recovery of $148.5 million to $329.4 million. On December 30, 2019, the DOE denied the Former Affiliate’s 2014 Claims. The Company intends to appeal such decision. Deconstruction, decommissioning and site restoration activities are complete.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate who worked on the DOE project. The Company and the Purchaser agreed that all future DOE project claim recoveries and costs will be split 10% to the Purchaser and 90% to the Company with the Company retaining control of all future strategic legal decisions.

The Company intends to vigorously pursue all claimed amounts but can provide no certainty that the Company will recover 2014 and 2019 Claims submitted against the DOE, or any additional incurred claims or costs, which could have a material adverse effect on the Company’s results of operations.

New York Department of Environmental Conservation

In September 2017, AECOM USA, Inc. was advised by the New York State Department of Environmental Conservation (DEC) of allegations that it committed environmental permit violations pursuant to the New York Environmental Conservation Law (ECL) associated with AECOM USA, Inc.’s oversight of a stream restoration project for Schoharie County which could result in substantial penalties if calculated under the ECL’s maximum civil penalty provisions. AECOM USA, Inc. disputes this claim and intends to continue to defend this matter vigorously; however, AECOM USA, Inc. cannot provide assurances that it will be successful in these efforts. The potential range of loss in excess of any current accrual cannot be reasonably estimated at this time primarily because the matter involves complex and unique environmental and regulatory issues; the project site involves the oversight and involvement of various local, state and federal government agencies; there is substantial uncertainty regarding any alleged damages; and the matter is in its preliminary stages.

Refinery Turnaround Project

A Former Affiliate of the Company entered into an agreement to perform turnaround maintenance services during a planned shutdown at a refinery in Montana in December 2017. The turnaround project was completed in February 2019. Due to circumstances outside of the Company's Former Affiliate’s control, including client directed changes and delays and the refinery’s condition, the Company's Former Affiliate performed additional work outside of the original contract over $90 million and is entitled to payment from the refinery owner of approximately $144 million. In March 2019, the refinery owner sent a letter to the Company’s Former Affiliate alleging it incurred approximately $79 million in damages due to the Company’s Former Affiliate’s project performance. In April 2019, the Company’s Former Affiliate filed and perfected a $132 million construction lien against the refinery owner for unpaid labor and materials costs. In August 2019, following a subcontractor complaint filed in the Thirteen Judicial District Court of Montana asserting claims against the refinery owner and the Company’s Former Affiliate, the refinery owner crossclaimed against the Company’s Former Affiliate and the subcontractor. In October 2019, following the subcontractor’s dismissal of its claims, the Company’s Former Affiliate removed the matter to federal court and cross claimed against the refinery owner. In December 2019, the refinery owner claimed $93.0 million in damages and offsets against the Company’s Former Affiliate.

On January 31, 2020, the Company completed the sale of its Management Services business to the Purchaser including the Former Affiliate, however, the Refinery Turnaround project, including related claims and liabilities, remained as part of the Company's self-perform at-risk construction business which is classified within discontinued operations.

The Company intends to vigorously prosecute and defend this matter; however, the Company cannot provide assurance that the Company will be successful in these efforts. The resolution of this matter and any potential range of loss cannot be reasonably determined or estimated at this time, primarily because the matter raises complex legal issues that Company is continuing to assess.

16. Reportable Segments

During the first quarter of fiscal 2020, the Company reorganized its operating and reporting structure to better align with its ongoing professional services business. This reorganization better reflects the continuing operations of the Company after the sale of its former Management Services reportable segment and planned disposal of its self-perform at-risk construction businesses discussed in Note 3. The businesses that comprised the Company's former Management Services reportable segment and the civil infrastructure, power and oil and gas construction businesses in the former Construction Services reportable segment were classified as discontinued operations. The former Design and Consulting Services reportable segment and construction management business in the former Construction Services reportable segment were reformed around geographic regions. The Americas segment provides planning, consulting, architectural and engineering design services, and construction management services to commercial and government clients in the United States, Canada, and Latin America, while the International segment provides similar professional services to commercial and government clients in Europe, the Middle East, Africa, and the Asia-Pacific regions.

The Company's AECOM Capital (ACAP) segment primarily invests in and develops real estate projects. These reportable segments are organized by the differing specialized needs of the respective clients, and how the Company manages its business. The Company has aggregated various operating segments into its reportable segments based on their similar characteristics, including similar long term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers. The change in reportable segments was applied to all periods presented.

The following tables set forth summarized financial information concerning the Company's reportable segments:

Reportable Segments:	Americas	International	AECOM Capital (in millions)	Corporate	Total
Three Months Ended June 30, 2020:					
Revenue	$ 2,471.6	$ 717.9	$ 0.2	$ —	$ 3,189.7
Gross profit	155.3	29.6	0.2	—	185.1
Equity in earnings of joint ventures	5.6	2.7	0.3	—	8.6
General and administrative expenses	—	—	(1.1)	(53.4)	(54.5)
Restructuring costs	—	—	—	(20.3)	(20.3)
Operating income (loss)	160.9	32.3	(0.6)	(73.7)	118.9
Gross profit as a % of revenue	6.3 %	4.1 %			5.8 %
Three Months Ended June 30, 2019:					
Revenue	$ 2,563.8	$ 794.8	$ 1.4	$ —	$ 3,360.0
Gross profit	123.0	29.4	1.4	—	153.8
Equity in earnings of joint ventures	4.6	3.8	0.8	—	9.2
General and administrative expenses	—	—	(1.5)	(36.0)	(37.5)
Operating income (loss)	127.6	33.2	0.7	(36.0)	125.5
Gross profit as a % of revenue	4.8 %	3.7 %			4.6 %
Nine Months Ended June 30, 2020:					
Revenue	$ 7,399.2	$ 2,270.6	$ 1.2	$ —	$ 9,671.0
Gross profit	430.3	88.2	1.2	—	519.7
Equity in earnings of joint ventures	17.3	8.7	6.0	—	32.0
General and administrative expenses	—	—	(5.3)	(133.9)	(139.2)
Restructuring costs	—	—	—	(96.4)	(96.4)
Operating income (loss)	447.6	96.9	1.9	(230.3)	316.1
Gross profit as a % of revenue	5.8 %	3.9 %			5.4 %
Nine Months Ended June 30, 2019:					
Revenue	$ 7,700.7	$ 2,421.4	$ 6.9	$ —	$ 10,129.0
Gross profit	356.9	58.3	6.9	—	422.1
Equity in earnings of joint ventures	12.7	11.7	8.0	—	32.4
General and administrative expenses	—	—	(4.9)	(105.9)	(110.8)
Restructuring costs	—	—	—	(79.2)	(79.2)
Operating income (loss)	369.6	70.0	10.0	(185.1)	264.5
Gross profit as a % of revenue	4.6 %	2.4 %			4.2 %

Reportable Segments:				
Total assets				
June 30,2020	$ 7,801.9	$ 2,396.3	$ 193.5	$ 1,504.9
September 30, 2019	7,437.3	2,247.1	197.8	718.4

Item 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

Forward-Looking Statements

This Quarterly Report contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect the Company's current beliefs, expectations or intentions regarding future events. These statements include forward-looking statements with respect to the Company, including the Company's business, operations and strategy, and the engineering and construction industry. Statements that are not historical facts, without limitation, including statements that use terms such as "anticipates," "believes," "expects," "estimates," "intends," "may," "plans," "potential," "projects," and "will" and that relate to future impacts caused by the coronavirus and the related economic instability and market volatility, including the reaction of governments to the coronavirus, including any prolonged period of travel, commercial or other similar restrictions, the delay in commencement, or temporary or permanent halting of construction, infrastructure or other projects, requirements that we remove our employees or personnel from the field for their protection, and delays or reductions in planned initiatives by our governmental or commercial clients or potential clients; future revenues, expenditures and business trends; future reduction of our self-perform at-risk construction exposure; future accounting estimates; future contractual performance obligations; future conversions of backlog; future capital allocation priorities including common stock repurchases, future trade receivables, future debt pay downs; future post-retirement expenses; future tax benefits and expenses; future compliance with regulations; future legal claims and insurance coverage; future effectiveness of our disclosure and internal controls over financial reporting; future costs savings; and other future economic and industry conditions, are forward-looking statements. In light of the risks and uncertainties inherent in all forward-looking statements, the inclusion of such statements in this Quarterly Report should not be considered as a representation by us or any other person that our objectives or plans will be achieved. Although management believes that the assumptions underlying the forward-looking statements are reasonable, these assumptions and the forward-looking statements are subject to various factors, risks and uncertainties, many of which are beyond our control, including, but not limited to, our business is cyclical and vulnerable to economic downturns and client spending reductions; government shutdowns; long-term government contracts and subject to 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; 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 and tariffs; 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 inadequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; managing pension costs; AECOM Capital's real estate development; cybersecurity issues, IT outages and data privacy; risks associated with the benefits and costs of the Management Services transaction, including the risk that the expected benefits of the Management Services transaction or any contingent purchase price will not be realized with the expected time frame, in full or at all; the risk that costs of restructuring transactions and other costs incurred in connection with the Management Services transaction will exceed our estimates or otherwise adversely affect our business or operations; as well as other additional risks and factors discussed in this Quarterly Report on Form 10-Q and any subsequent reports we file with the SEC. Accordingly, actual results could differ materially from those contemplated by any forward-looking statement.

All subsequent written and oral forward-looking statements concerning the Company or other matters attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. You are cautioned not to place undue reliance on these forward-looking statements, which speak only to the date they are made. The Company is under no obligation (and expressly disclaims any such obligation) to update or revise any forward-looking statement that may be made from time to time, whether as a result of new information, future developments or otherwise. Please review "Part II, Item 1A—Risk Factors" in this Quarterly Report for a discussion of the factors, risks and uncertainties that could affect our future results.

Overview

We are a leading global provider of professional technical and management support services for governments, businesses and organizations throughout the world. We provide planning, consulting, architectural and engineering design, construction management services and investment and development services to commercial and government clients worldwide in major end markets such as transportation, facilities, environmental, energy, water and government markets.

Our business focuses primarily on providing fee-based planning, consulting, architectural and engineering design services and, therefore, our business is labor intensive. We primarily derive income from our ability to generate revenue and collect cash from our clients through the billing of our employees' time spent on client projects and our ability to manage our costs. AECOM Capital primarily derives its income from real estate development sales and management fees.

During the first quarter of fiscal 2020, we reorganized our operating and reporting structure to better align with our ongoing professional services business. This reorganization better reflected our continuing operations after the sale of our Management Services and planned disposal of our self-perform at-risk construction businesses, including our civil infrastructure, power and oil & gas construction businesses. Our Management Services and self-perform at-risk construction businesses were part of our former Management Services segment and a substantial portion of our former Construction Services segment, respectively. These businesses are classified as discontinued operations in all periods presented.

We report our continuing business through three segments: Americas, International, and AECOM Capital (ACAP). Such segments are organized by the differing specialized needs of the respective clients, and how we manage the business. We have aggregated various operating segments into our reportable segments based on their similar characteristics, including similar long-term financial performance, the nature of services provided, internal processes for delivering those services, and types of customers.

Our Americas segment delivers planning, consulting, architectural and engineering design, and construction management services to commercial and government clients in the United States, Canada, and Latin America in major end markets such as transportation, water, government, facilities, environmental, and energy. Revenue is primarily derived from fees from services we provide.

Our International segment delivers planning, consulting, architectural and engineering design services to commercial and government clients in Europe, the Middle East, Africa and the Asia-Pacific regions in major end markets such as transportation, water, government, facilities, environment, and energy.

Our ACAP segment primarily invests in and develops real estate projects. ACAP typically partners with investors and experienced developers as co-general partners. ACAP may, but is not required to, enter into contracts with our other AECOM affiliates to provide design, engineering, construction management, development and operations and maintenance services for ACAP funded projects.

Our revenue is dependent on our ability to attract and retain qualified and productive employees, identify business opportunities, integrate and maximize the value of our recent acquisitions, allocate our labor resources to profitable and high growth markets, secure new contracts and renew existing client agreements. Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending, which may result in clients delaying, curtailing or canceling proposed and existing projects. Moreover, as a professional services company, maintaining the high quality of the work generated by our employees is integral to our revenue generation and profitability.

Our costs consist primarily of the compensation we pay to our employees, including salaries, fringe benefits, the costs of hiring subcontractors, other project-related expenses and sales, general and administrative costs.The U.S. federal government has proposed significant legislative and executive infrastructure initiatives that, if enacted, could have a positive impact to our infrastructure business.

As part of our capital allocation policy, we drew $248.5 million on our secured delayed draw term loan facility on July 30, 2020 for the purpose of redeeming all of the 2022 URS Senior Notes . We have $760 million of remaining stock repurchase capacity under the existing board authorization, and we intend to deploy future available cash towards additional debt reduction and stock repurchases consistent with our capital allocation policy.

We expect to exit the self-perform at-risk construction and non-core oil and gas markets. We are evaluating our geographic exposure as part of our ongoing plan to exit more than 30 countries, subject to applicable laws, to improve profitability and reduce our risk profile.

We expect to incur restructuring costs of $160 to $190 million in fiscal year 2020 primarily related to costs associated with the sale of the Management Services business and expected exit of at-risk, self-perform construction in the civil infrastructure, power, and oil and gas businesses. Total cash costs for the restructuring are expected to be between $185 and $205 million.

We cannot determine if future climate change and greenhouse gas laws and policies, such as the United Nations' COP-21 Paris Agreement, will have a material impact on our business or our clients' business; however, we expect future environmental laws and policies could negatively impact demand for our services related to fossil fuel projects and positively impact demand for our services related to environmental, infrastructure, nuclear and alternative energy projects.

Coronavirus Impacts

The impact of the coronavirus pandemic and measures to prevent its spread are affecting our businesses in a number of ways:

- We have restricted non-essential business travel, required some employees to work remotely where possible, reduced salaries or furloughed employees, reduced non-essential spending and limited physical interactions with our clients.
- Non-essential construction and work on other client projects has been temporarily halted in certain jurisdictions.
- Some contractual agreements are unable to be performed preventing us from making or receiving payments.
- The coronavirus has made accessing the capital markets and engaging in business and client development more difficult.
- The coronavirus has made estimating the future performance of our business and mitigating the adverse financial impact of these developments on our business operations more difficult.
- The coronavirus and accompanying economic effects are expected to reduce demand for our services and impact client spending in certain circumstances; however, the uncertain nature of the coronavirus and its duration make it difficult for us to predict and quantify such impact.
- State and local budget shortfalls in the U.S. have begun to negatively impact our pipeline of pursuits and the pace of award activity.
- Certain markets, such as the U.K., Middle East and Southeast Asia, are experiencing project delays that have impacted our performance and results.
- During the third quarter of fiscal 2020, we benefited from government subsidies of approximately $12 million, which were received under various programs related to retaining employees.

Results of Operations

Three and nine months ended June 30, 2020 compared to the three and nine months ended June 30, 2019

<u>Consolidated Results</u>

	Three Months Ended				Nine months Ended			
	June 30, 2020	June 30, 2019	Change $	Change %	June 30, 2020	June 30, 2019	Change $	Change %
	(unaudited - in millions)							
Revenue	$ 3,189.7	$ 3,360.0	$ (170.3)	(5.1)%	$ 9,671.0	$ 10,129.0	$ (458.0)	(4.5)%
Cost of revenue	3,004.6	3,206.2	(201.6)	(6.3)	9,151.3	9,706.9	(555.6)	(5.7)
Gross profit	185.1	153.8	31.3	20.3	519.7	422.1	97.6	23.1
Equity in earnings of joint ventures	8.6	9.2	(0.6)	(6.7)	32.0	32.4	(0.4)	(1.3)
General and administrative expenses	(54.5)	(37.5)	(17.0)	45.2	(139.2)	(110.8)	(28.4)	25.5
Restructuring costs	(20.3)	—	(20.3)	0.0	(96.4)	(79.2)	(17.2)	21.8
Income from operations	118.9	125.5	(6.6)	(5.3)	316.1	264.5	51.6	19.5
Other income	3.1	4.3	(1.2)	(28.0)	9.5	11.0	(1.5)	(13.7)
Interest expense	(34.9)	(40.5)	5.6	(13.8)	(112.4)	(121.3)	8.9	(7.3)
Income from continuing operations before taxes	87.1	89.3	(2.2)	(2.5)	213.2	154.2	59.0	38.3
Income tax (benefit) expense for continuing operations	(7.1)	27.2	(34.3)	(126.4)	30.3	(3.1)	33.4	NM
Net income from continuing operations	94.2	62.1	32.1	51.7	182.9	157.3	25.6	16.3
Net (loss) income from discontinued operations	(0.1)	43.3	(43.4)	(100.3)	(112.7)	106.7	(219.4)	(205.7)
Net income	94.1	105.4	(11.3)	(10.7)	70.2	264.0	(193.8)	(73.4)
Net income attributable to noncontrolling interests from continuing operations	(3.1)	(6.1)	3.0	(48.5)	(12.4)	(17.9)	5.5	(30.7)
Net income attributable to noncontrolling interests from discontinued operations	(1.7)	(15.6)	13.9	(89.4)	(14.0)	(33.0)	19.0	(57.5)
Net income attributable to noncontrolling interests	(4.8)	(21.7)	16.9	(77.9)	(26.4)	(50.9)	24.5	(48.1)
Net income attributable to AECOM from continuing operations	91.1	56.0	35.1	62.6	170.5	139.4	31.1	22.3
Net (loss) income attributable to AECOM from discontinued operations	(1.8)	27.7	(29.5)	(106.4)	(126.7)	73.7	(200.4)	(271.9)
Net income attributable to AECOM	$ 89.3	$ 83.7	$ 5.6	6.7 %	$ 43.8	$ 213.1	$ (169.3)	(79.4)%

The following table presents the percentage relationship of statement of operations items to revenue:

	Three Months Ended		Nine months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	94.2	95.4	94.6	95.8
Gross profit	5.8	4.6	5.4	4.2
Equity in earnings of joint ventures	0.3	0.3	0.3	0.3
General and administrative expenses	(1.8)	(1.2)	(1.4)	(1.1)
Restructuring costs	(0.6)	0.0	(1.0)	(0.8)
Income from operations	3.7	3.7	3.3	2.6
Other income	0.1	0.1	0.1	0.1
Interest expense	(1.1)	(1.1)	(1.2)	(1.2)
Income from continuing operations before taxes	2.7	2.7	2.2	1.5
Income tax (benefit) expense for continuing operations	(0.3)	0.9	0.3	(0.1)
Net income from continuing operations	3.0	1.8	1.9	1.6
Net (loss) income from discontinued operations	0.0	1.3	(1.2)	1.0
Net income	3.0	3.1	0.7	2.6
Net income attributable to noncontrolling interests from continuing operations, net of tax	(0.1)	(0.1)	(0.1)	(0.2)
Net income attributable to noncontrolling interests from discontinued operations, net of tax	0.0	(0.5)	(0.2)	(0.3)
Net income attributable to noncontrolling interests	(0.1)	(0.6)	(0.3)	(0.5)
Net income attributable to AECOM from continuing operations	2.9	1.7	1.8	1.4
Net (loss) income attributable to AECOM from discontinued operations	0.0	0.8	(1.4)	0.7
Net income attributable to AECOM	2.9 %	2.5 %	0.4 %	2.1 %

Revenue

Our revenue for the three months ended June 30, 2020 decreased $170.3 million, or 5.1%, to $3,189.7 million as compared to $3,360.0 million for the corresponding period last year.

Our revenue for the nine months ended June 30, 2020 decreased $458.0 million, or 4.5%, to $9,671.0 million as compared to $10,129.0 million for the corresponding period last year.

The decrease in revenue for the three months ended June 30, 2020 was primarily attributable to decreases in our Americas segment of $92.2 million and in our International segment of $76.9 million, as discussed further below.

The decrease in revenue for the nine months ended June 30, 2020 was primarily attributable to decreases in our Americas segment of $301.5 million and in our International segment of $150.8 million, as discussed further below.

In the course of providing our services, we routinely subcontract for services and incur other direct costs on behalf of our clients. These costs are passed through to clients and, in accordance with industry practice and GAAP, are included in our revenue and cost of revenue. Because subcontractor and other direct costs can change significantly from project to project and period to period, changes in revenue may not be indicative of business trends. Subcontractor and other direct costs for the quarters ended June 30, 2020 and 2019 were $1.7 billion and $1.8 billion, respectively. Subcontractor and other direct costs for the nine months ended June 30, 2020 and 2019 were $5.1 billion and $5.5 billion, respectively. Subcontractor costs and other direct costs as a percentage of revenue were 53% and 54% during the three months ended June 30, 2020 and 2019, respectively. Subcontractor costs and other direct costs as a percentage of revenue were 52% and 54% during the nine months ended June 30, 2020 and 2019, respectively.

Gross Profit

Our gross profit for the three months ended June 30, 2020 increased $31.3 million, or 20.3%, to $185.1 million as compared to $153.8 million for the corresponding period last year. For the three months ended June 30, 2020, gross profit, as a percentage of revenue, increased to 5.8% from 4.6% in the three months ended June 30, 2019.

Our gross profit for the nine months ended June 30, 2020 increased $97.6 million, or 23.1%, to $519.7 million as compared to $422.1 million for the corresponding period last year. For the nine months ended June 30, 2020, gross profit, as a percentage of revenue, increased to 5.4% from 4.2% in the nine months ended June 30, 2019.

Gross profit changes were due to the reasons noted in Americas and International reportable segments below.

Equity in Earnings of Joint Ventures

Our equity in earnings of joint ventures for the three months ended June 30, 2020 was $8.6 million as compared to $9.2 million in the corresponding period last year.

Our equity in earnings of joint ventures for the nine months ended June 30, 2020 was $32.0 million as compared to $32.4 million in the corresponding period last year.

General and Administrative Expenses

Our general and administrative expenses for the three months ended June 30, 2020 increased $17.0 million, or 45.2%, to $54.5 million as compared to $37.5 million for the corresponding period last year. For the three months ended June 30, 2020, general and administrative expenses, as a percentage of revenue, increased to 1.8% from 1.2% in the three months ended June 30, 2019. The increase was primarily due to the accelerated depreciation of a project management tool in the three month period ending June 30, 2020.

Our general and administrative expenses for the nine months ended June 30, 2020 increased $28.4 million, or 25.5%, to $139.2 million as compared to $110.8 million for the corresponding period last year. For the nine months ended June 30, 2020, general and administrative expenses, as a percentage of revenue, increased to 1.4% from 1.1% in the three months ended June 30, 2019. The increase was primarily due to the accelerated depreciation of a project management tool in the nine month period ending June 30, 2020.

Restructuring Costs

In the first quarter of fiscal 2019, we commenced a restructuring plan to improve profitability. We expect to incur additional restructuring costs in fiscal 2020 primarily related to costs associated with the sale of the Management Services business and the exit of our self-perform at-risk construction business. During the nine months ended June 30, 2019, we incurred restructuring expenses of $79.2 million, primarily related to personnel and real estate costs. During the nine months ended June 30, 2020, we incurred restructuring expenses of $96.4 million, primarily related to personnel costs, including costs associated with recent executive transitions.

Other Income

Our other income for the three months ended June 30, 2020 decreased to $3.1 million from $4.3 million for the corresponding period last year.

Our other income for the nine months ended June 30, 2020 decreased to $9.5 million from $11.0 million for the corresponding period last year.

Other income is primarily comprised of interest income.

Interest Expense

Our interest expense for the three months ended June 30, 2020 was $34.9 million as compared to $40.5 million for the corresponding period last year.

Our interest expense for the nine months ended June 30, 2020 was $112.4 million as compared to $121.3 million for the corresponding period last year.

Income Tax Benefit / Expense

Our income tax benefit for the three months ended June 30, 2020 was $7.1 million as compared to income tax expense of $27.2 million in the corresponding period last year. The increase in tax benefit for the current period compared to the corresponding period last year is due primarily to a benefit of $25.4 million related to the release of a valuation allowance in the third quarter of fiscal 2020 and a benefit of $5.0 million related to a decrease in the accrual for uncertain tax positions.

Our income tax expense for the nine months ended June 30, 2020 was $30.3 million as compared to an income tax benefit of $3.1 million in the corresponding period last year. The increase in tax expense for the current period compared to the corresponding period last year is due primarily to a $38.1 million benefit recorded in the first quarter of fiscal 2019 related to the release of a valuation allowance on foreign tax credits and the tax impacts of an increase in overall pre-tax income of $59.0 million, partially offset by a $25.4 million tax benefit recorded in the third quarter of fiscal 2020 related to the release of a valuation allowance.

During the third quarter of fiscal 2020, management approved a tax planning strategy and we began restructuring certain operations in Canada which resulted in the release of a valuation allowance related to net operating losses in the amount of $25.4 million. We are now forecasting the utilization of the net operating losses within the foreseeable future. The new positive evidence was evaluated against any negative evidence to determine the valuation allowance was no longer needed.

During the first quarter of fiscal 2019, a valuation allowance in the amount of $38.1 million related to foreign tax credits was released due to sufficient positive evidence obtained during the quarter. The positive evidence included the issuance of regulations related to the Tax Act during the quarter and forecasting the utilization of the foreign tax credits within the foreseeable future.

We regularly integrate and consolidate our business operations and legal entity structure, and such internal initiatives could impact the assessment of uncertain tax positions, indefinite reinvestment assertions and the realizability of deferred tax assets.

Net (Loss) Income From Discontinued Operations

During the first quarter of fiscal 2020, management approved a plan to dispose via sale our Management Services business and our self-perform at-risk construction businesses. As a result of these strategic actions, the Management Services and self-perform at-risk construction businesses were classified as discontinued operations. That classification was applied retrospectively for all periods presented.

Net (loss) income from discontinued operations decreased $43.4 million to $(0.1) million from $43.3 million for the three months ended June 30, 2020 and 2019, respectively.

Net (loss) income from discontinued operations decreased $219.4 million to $(112.7) million from $106.7 million for the nine months ended June 30, 2020 and 2019, respectively. The decrease in net income from discontinued operations for the three and six month period ended June 30, 2020 was primarily due to goodwill and intangible impairments recorded in our oil and gas business, a decrease in project performance in our power business, and a decrease in project performance in our civil construction business, offset by the gain on disposal of our Management Services business of approximately $161.9 million. Goodwill associated with the oil and gas business was originally recognized in the acquisition of the URS Corporation (URS) in October 2014. Weak forecasted market demand for oil and gas services, primarily due to the significant decline in commodity prices for Western Canada Select, resulted in lower fair value than previously measured at our annual impairment test date as of September 30, 2019. Earnings and cash flows from our oil and gas business for the nine-month period ending June 30, 2020 were in line with our expectations, but the volatility in global prices created significant uncertainty for near term profitability.

Net Income Attributable to AECOM

The factors described above resulted in net income attributable to AECOM of $89.3 million and $43.8 million for the three and nine months ended June 30, 2020, respectively, as compared to $83.7 million and $213.1 million for the three and nine months ended June 30, 2019, respectively.

Results of Operations by Reportable Segment:

Americas

	Three Months Ended				Nine months Ended			
	June 30, 2020	June 30, 2019	Change $	Change %	June 30, 2020	June 30, 2019	Change $	Change %
	(in millions)							
Revenue	$ 2,471.6	$ 2,563.8	$ (92.2)	(3.6)%	$ 7,399.2	$ 7,700.7	$ (301.5)	(3.9)%
Cost of revenue	2,316.3	2,440.8	(124.5)	(5.1)	6,968.9	7,343.8	(374.9)	(5.1)
Gross profit	$ 155.3	$ 123.0	$ 32.3	26.2 %	$ 430.3	$ 356.9	$ 73.4	20.6 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Three Months Ended		Nine months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	93.7	95.2	94.2	95.4
Gross profit	6.3 %	4.8 %	5.8 %	4.6 %

Revenue

Revenue for our Americas segment for the three months ended June 30, 2020 decreased $92.2 million, or 3.6%, to $2,471.6 million as compared to $2,563.8 million for the corresponding period last year.

Revenue for our Americas segment for the nine months ended June 30, 2020 decreased $301.5 million, or 3.9%, to $7,399.2 million as compared to $7,700.7 million for the corresponding period last year.

The decrease in revenue for the three months ended June 30, 2020 was primarily attributable to a decrease in the Americas design and consulting services of $100 million, largely due to decreased work performed on a residential housing storm disaster relief program. Additionally, the decrease was due to reduced subcontractor activity for residential high-rise buildings in the city of New York.

The decrease in revenue for the nine months ended June 30, 2020 was primarily attributable to a decrease in the Americas design and consulting services of $200 million, largely due to decreased work performed on a residential housing storm disaster relief program. Additionally, the decrease was due to reduced subcontractor activity for residential high-rise buildings in the city of New York.

Gross Profit

Gross profit for our Americas segment for the three months ended June 30, 2020 increased $32.3 million, or 26.2%, to $155.3 million as compared to $123.0 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 6.3% of revenue for the three months ended June 30, 2020 from 4.8% in the corresponding period last year.

Gross profit for our Americas segment for the nine months ended June 30, 2020 increased $73.4 million, or 20.6%, to $430.3 million as compared to $356.9 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 5.8% of revenue for the nine months ended June 30, 2020 from 4.6% in the corresponding period last year.

The increase in gross profit and gross profit as a percentage of revenue for the three and nine months ended June 30, 2020 was primarily due to reduced costs resulting from restructuring activities taken in the prior period and strong project execution.

International

	Three Months Ended				Nine months Ended			
	June 30, 2020	June 30, 2019	Change $	Change %	June 30, 2020	June 30, 2019	Change $	Change %
	(in millions)							
Revenue	$ 717.9	$ 794.8	$ (76.9)	(9.7)%	$ 2,270.6	$ 2,421.4	$ (150.8)	(6.2)%
Cost of revenue	688.3	765.4	(77.1)	(10.1)	2,182.4	2,363.1	(180.7)	(7.6)
Gross profit	$ 29.6	$ 29.4	$ 0.2	0.7 %	$ 88.2	$ 58.3	$ 29.9	51.1 %

The following table presents the percentage relationship of statement of operations items to revenue:

	Three Months Ended		Nine months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	95.9	96.3	96.1	97.6
Gross profit	4.1 %	3.7 %	3.9 %	2.4 %

Revenue

Revenue for our International segment for the three months ended June 30, 2020 decreased $76.9 million, or 9.7%, to $717.9 million as compared to $794.8 million for the corresponding period last year.

Revenue for our International segment for the nine months ended June 30, 2020 decreased $150.8 million, or 6.2%, to $2,270.6 million as compared to $2,421.4 million for the corresponding period last year.

The decrease in revenues for the three- and nine-month period ended June 30, 2020 is primarily due to declines in the United Kingdom and the Middle East regions due to downtime caused by the impact of the coronavirus pandemic in those regions.

Gross Profit

Gross profit for our International segment for the three months ended June 30, 2020 increased $0.2 million, or 0.7%, to $29.6 million as compared to $29.4 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 4.1% of revenue for the three months ended June 30, 2020 from 3.7% in the corresponding period last year.

Gross profit for our International segment for the nine months ended June 30, 2020 increased $29.9 million, or 51.1%, to $88.2 million as compared to $58.3 million for the corresponding period last year. As a percentage of revenue, gross profit increased to 3.9% of revenue for the nine months ended June 30, 2020 from 2.4% in the corresponding period last year.

The increase in gross profit and gross profit as a percentage of revenue for the three and nine months ended June 30, 2020 was primarily due to reduced costs resulting from restructuring activities taken in the prior period led by increased profitability in projects in the United Kingdom and Australia.

AECOM Capital

	Three Months Ended				Nine months Ended			
	June 30, 2020	June 30, 2019	Change $	Change %	June 30, 2020	June 30, 2019	Change $	Change %
	(in millions)							
Revenue	$ 0.2	$ 1.4	$ (1.2)	(86.5)%	$ 1.2	$ 6.9	$ (5.7)	(82.0)%
Equity in earnings of joint ventures	0.3	0.8	(0.5)	(56.4)	6.0	8.0	(2.0)	(24.8)
General and administrative expenses	(1.1)	(1.5)	0.4	(26.6)	(5.3)	(4.9)	(0.4)	7.6

Seasonality

We experience seasonal trends in our business. The first quarter of our fiscal year (October 1 to December 31) is typically our weakest quarter. The harsher weather conditions impact our ability to complete work in parts of North America and the holiday season schedule affects our productivity during this period. Our revenue is typically higher in the last half of the fiscal year. Many U.S. state governments with fiscal years ending on June 30 tend to accelerate spending during their first quarter, when new funding becomes available. In addition, we find that the U.S. federal government tends to authorize more work during the period preceding the end of our fiscal year, September 30. Further, our construction management revenue typically increases during the high construction season of the summer months. Within the United States, as well as other parts of the world, our business generally benefits from milder weather conditions in our fiscal fourth quarter, which allows for more productivity from our on-site civil services. For these reasons, coupled with the number and significance of client contracts commenced and completed during a period, as well as the time of expenses incurred for corporate initiatives, it is not unusual for us to experience seasonal changes or fluctuations in our quarterly operating results.

Liquidity and Capital Resources

Cash Flows

Our principal sources of liquidity are cash flows from operations, borrowings under our credit facilities, and access to financial markets. Our principal uses of cash are operating expenses, capital expenditures, working capital requirements, acquisitions, repurchases of common stock, and repayment of debt. We believe our anticipated sources of liquidity including operating cash flows, existing cash and cash equivalents, borrowing capacity under our revolving credit facility and our ability to issue debt or equity, if required, will be sufficient to meet our projected cash requirements for at least the next twelve months. We sold our Management Services business on January 31, 2020 for a purchase price of approximately $2.4 billion. The purchase price includes contingent consideration of approximately $120 million attributable to certain claims related to prior work and engagements. We expect to spend approximately $185 to $205 million in restructuring costs in fiscal 2020 associated with the sale of the Management Services business and the exit of our self-perform at-risk construction businesses.

Generally, we do not provide for U.S. taxes or foreign withholding taxes on gross book-tax basis differences in our non-U.S. subsidiaries because such basis differences are able to and intended to be reinvested indefinitely. At June 30, 2020, we have determined that we will continue to indefinitely reinvest the earnings of some foreign subsidiaries and therefore we will continue to account for these undistributed earnings based on our existing accounting under ASC 740 and not accrue additional tax outside of the one-time transition tax required under the *Tax Cuts and Jobs Act* that was enacted on December 22, 2017. Determination of the amount of any unrecognized deferred income tax liability on this temporary difference is not practicable because of the complexities of the hypothetical calculation. Based on the available sources of cash flows discussed above, we anticipate we will continue to have the ability to permanently reinvest these remaining amounts.

At June 30, 2020, cash and cash equivalents, including cash and cash equivalents included in current assets held for sale, were $1,424.4 million, an increase of $344.0 million, or 31.8%, from $1,080.4 million at September 30, 2019. The increase in cash and cash equivalents was primarily attributable to cash provided by the sale of our Management Services business offset by cash used in operating activities, and repayment of borrowings under our credit agreement.

Net cash used in operating activities was $319.7 million for the nine months ended June 30, 2020, compared to $16.1 million for the nine months ended June 30, 2019. The change was primarily attributable to the timing of receipts and payments of working capital, which includes accounts receivable, contract assets, accounts payable, accrued expenses, and contract liabilities. The sale of trade receivables to financial institutions during the nine months ended June 30, 2020 provided a net unfavorable impact of $193.0 million, primarily due to the sale of our Management Services business in the second quarter of fiscal 2020, as compared to a net favorable impact of $4.0 million during the nine months ended June 30, 2019. We expect to continue to sell trade receivables in the future as long as the terms continue to remain favorable to us.

Net cash provided by investing activities was $2,074.1 million for the nine months ended June 30, 2020, as compared to net cash used of $123.6 million for the nine months ended June 30, 2019. The change was primarily attributable to proceeds received from the sale of our Management Services business. Cash proceeds from the sale of our Management Services business totaled $2.28 billion inclusive of the receipt of $122.0 million in the third quarter of fiscal 2020 in connection with a favorable net working capital purchase price adjustment.

Net cash used in financing activities was $1,405.5 million for the nine months ended June 30, 2020 as compared to net cash provided of $46.5 million for the nine months ended June 30, 2019. This change was primarily attributable to repayment of our term loan under our credit agreement. Total borrowings may vary during the period.

AECOM Caribe, a subsidiary of the Company, has incurred payment delays supporting the storm recovery work in the U.S. Virgin Islands. AECOM Caribe signed several contracts with Virgin Islands authorities to provide emergency design, construction and technical services after two Category Five hurricanes devastated the Virgin Islands in 2017, that were dependent on federal funding. AECOM Caribe and its subcontractors have performed over $750 million of work under the Virgin Islands contracts and payment delays have increased working capital by over $150 million from September 30, 2018 to June 30, 2020. We are currently negotiating with the Virgin Island authorities and U.S. Federal Emergency Management Agency to modify the contract and accelerate funding for current and future contractual payments; however, we can provide no certainty as to the timing or amount of future payments.

Working Capital

Working capital, or current assets less current liabilities, increased $465.8 million, or 43.4%, to $1,538.7 million at June 30, 2020 from $1,072.9 million at September 30, 2019. Net accounts receivable and contract assets, net of contract liabilities, increased to $3,546.0 million at June 30, 2020 from $3,600.0 million at September 30, 2019.

Days Sales Outstanding (DSO), which includes net accounts receivable and contract assets, net of contract liabilities, was 101 days at June 30, 2020 compared to 94 days at September 30, 2019.

In Note 4, Revenue Recognition, in the notes to our consolidated financial statements, a comparative analysis of the various components of accounts receivable is provided. Except for claims, substantially all contract assets are expected to be billed and collected within twelve months.

Contract assets related to claims are recorded only if it is probable that the claim will result in additional contract revenue and if the amount can be reliably estimated. In such cases, revenue is recorded only to the extent that contract costs relating to the claim have been incurred. Award fees in contract assets are accrued only when there is sufficient information to assess contract performance. On contracts that represent higher than normal risk or technical difficulty, award fees are generally deferred until an award fee letter is received.

Because our revenue depends to a great extent on billable labor hours, most of our charges are invoiced following the end of the month in which the hours were worked, the majority usually within 15 days. Other direct costs are normally billed along with labor hours. However, as opposed to salary costs, which are generally paid on either a bi-weekly or monthly basis, other direct costs are generally not paid until payment is received (in some cases in the form of advances) from the customers.

Debt

Debt consisted of the following:

	June 30, 2020	September 30, 2019
	(in millions)	
2014 Credit Agreement	$ —	$ 1,182.2
2014 Senior Notes	800.0	800.0
2017 Senior Notes	1,000.0	1,000.0
URS Senior Notes	248.2	248.1
Other debt	48.1	122.2
Total debt	2,096.3	3,352.5
Less: Current portion of debt and short-term borrowings	(24.7)	(98.3)
Less: Unamortized debt issuance costs	(23.6)	(36.2)
Long-term debt	$ 2,048.0	$ 3,218.0

The following table presents, in millions, scheduled maturities of the Company's debt as of June 30, 2020:

Fiscal Year	
2020 (three months remaining)	$ 14.7
2021	12.1
2022	258.2
2023	6.8
2024	3.3
Thereafter	1,801.2
Total	$ 2,096.3

2014 Credit Agreement

We entered into a credit agreement (Credit Agreement) on October 17, 2014, which, as amended to date, consists of (i) a term loan A facility that includes a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million Canadian dollar (CAD) term loan A facility and a $250 million Australian dollar (AUD) term loan A facility, each with terms expiring on March 13, 2023; (ii) a $600 million term loan B facility with a term expiring on March 13, 2025; and (iii) a revolving credit facility in an aggregate principal amount of $1.35 billion with a term expiring on March 13, 2023. Some of our subsidiaries (Guarantors) have guaranteed the obligations of the borrowers under the Credit Agreement. The borrowers’ obligations under the Credit Agreement are secured by a lien on substantially all of our assets and the Guarantors’ pursuant to a security and pledge agreement (Security Agreement). The collateral under the Security Agreement is subject to release upon fulfillment of conditions specified in the Credit Agreement and Security Agreement.

The Credit Agreement contains covenants that limit our ability and the ability of some of our subsidiaries to, among other things: (i) create, incur, assume, or suffer to exist liens; (ii) incur or guarantee indebtedness; (iii) pay dividends or repurchase stock; (iv) enter into transactions with affiliates; (v) consummate asset sales, acquisitions or mergers; (vi) enter into various types of burdensome agreements; or (vii) make investments.

On July 1, 2015, the Credit Agreement was amended to revise the definition of “Consolidated EBITDA” to increase the allowance for acquisition and integration expenses related our acquisition of URS.

On December 22, 2015, the Credit Agreement was amended to further revise the definition of "Consolidated EBITDA" by further increasing the allowance for acquisition and integration expenses related to the acquisition of URS and to allow for an internal corporate restructuring primarily involving our international subsidiaries.

On September 29, 2016, the Credit Agreement and the Security Agreement were amended to (1) lower the applicable interest rate margins for the term loan A and the revolving credit facilities, and lower the applicable letter of credit fees and commitment fees to the revised consolidated leverage levels; (2) extend the term of the term loan A and the revolving credit facility to September 29, 2021; (3) add a new delayed draw term loan A facility tranche in the amount of $185.0 million; (4) replace the then existing $500 million performance letter of credit facility with a $500 million basket to enter into secured letters of credit outside the Credit Agreement; and (5) revise covenants, including the Maximum Consolidated Leverage Ratio so that the step down from a 5.00 to a 4.75 leverage ratio is effective as of March 31, 2017 as well as the investment basket for our ACAP business.

On March 31, 2017, the Credit Agreement was amended to (1) expand the ability of restricted subsidiaries to borrow under "Incremental Term Loans;" (2) revise the definition of "Working Capital" as used in "Excess Cash Flow;" (3) revise the definitions for "Consolidated EBITDA" and "Consolidated Funded Indebtedness" to reflect the expected gain and debt repayment of an AECOM Capital disposition, which disposition was completed on April 28, 2017; and (4) amend provisions relating to our ability to undertake internal restructuring steps to accommodate changes in tax laws.

On March 13, 2018, the Credit Agreement was amended to (1) refinance the existing term loan A facility to include a $510 million (US) term loan A facility with a term expiring on March 13, 2021 and a $500 million CAD term loan A facility and a $250 million AUD term loan A facility each with terms expiring on March 13, 2023; (2) issue a new $600 million term loan B facility to institutional investors with a term expiring on March 13, 2025; (3) increase the capacity of our revolving credit facility from $1.05 billion to $1.35 billion and extend its term until March 13, 2023; (4) reduce our interest rate borrowing costs as follows: (a) the term loan B facility, at our election, Base Rate (as defined in the Credit Agreement) plus 0.75% or Eurocurrency Rate (as defined in the Credit Agreement) plus 1.75%, (b) the (US) term loan A facility, at our election, Base Rate plus 0.50% or Eurocurrency Rate plus 1.50%, and (c) the Canadian (CAD) term loan A facility, the Australian (AUD) term loan A facility, and the revolving credit facility, an initial rate of, at our election, Base Rate plus 0.75% or Eurocurrency Rate plus 1.75%, and after the end of our fiscal quarter ended June 30, 2018, Base Rate loans plus a margin ranging from 0.25% to 1.00% or Eurocurrency Rate plus a margin from 1.25% to 2.00%, based on the Consolidated Leverage Ratio (as defined in the Credit Agreement); (5) revise covenants including increasing the amounts available under the restricted payment negative covenant and revising the Maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) to include a 4.5 leverage ratio through September 30, 2019 after which the leverage ratio steps down to 4.0.

On November 13, 2018, the Credit Agreement was amended to revise the definition of "Consolidated EBITDA" to increase corporate restructuring allowances and provide for additional flexibility under the covenants for non-core asset dispositions, among other changes.

On January 28, 2020, AECOM entered into Amendment No. 7 to the Credit Agreement which modifies the asset disposition covenant to permit the sale of our Management Services business and the mandatory prepayment provision so that only outstanding term loans were prepaid using the net proceeds from the sale.

On May 1, 2020, the Company entered into Amendment No. 8 to the Credit Agreement which allows for borrowings to be made, until three months after closing, up to an aggregate principal amount of $400,000,000 under a secured delayed draw term loan facility, the proceeds of which are permitted to be used to pay all or a portion of the amounts payable in connection with any tender for or redemption or repayment of the Company's or its subsidiaries' existing senior unsecured notes and any associated fees and expenses. The amendment also revised certain terms and covenants in the Credit Agreement, including by, among other things, revising the maximum leverage ratio covenant to 4.00:1.00, subject to increases to 4.50:1.00 for certain specified periods in connection with certain material acquisitions, increasing the potential size of incremental facilities under the Credit Agreement, revising the definition of "Consolidated EBITDA" to provide for additional flexibility in the calculation thereof and adding a Eurocurrency Rate floor of 0.75% to the interest rate under the revolving credit facility.

On July 30, 2020, we drew $248.5 million on our secured delayed draw term loan facility for the purpose of redeeming all of the 2022 URS Senior Notes.

Under the Credit Agreement, we are subject to a maximum consolidated leverage ratio and minimum consolidated interest coverage ratio at the end of each fiscal quarter. Our Consolidated Leverage Ratio was 2.8 at June 30, 2020. Our Consolidated Interest Coverage Ratio was 5.2 at June 30, 2020. As of June 30, 2020, we were in compliance with the covenants of the Credit Agreement.

At June 30, 2020 and September 30, 2019, outstanding standby letters of credit totaled $21.2 million and $22.8 million, respectively, under our revolving credit facilities. As of June 30, 2020 and September 30, 2019, we had $1,328.8 million and $1,327.2 million, respectively, available under our revolving credit facility.

2014 Senior Notes

On October 6, 2014, we completed a private placement offering of $800,000,000 aggregate principal amount of the unsecured 5.750% Senior Notes due 2022 (2022 Notes) and $800,000,000 aggregate principal amount of the unsecured 5.875% Senior Notes due 2024 (the 2024 Notes and, together with the 2022 Notes, the 2014 Senior Notes). On November 2, 2015, we completed an exchange offer to exchange the unregistered 2014 Senior Notes for registered notes, as well as all related guarantees. On March 16, 2018, we redeemed all of the 2022 Notes at a redemption price that was 104.313% of the principal amount outstanding plus accrued and unpaid interest. The March 16, 2018 redemption resulted in a $34.5 million prepayment premium, which was included in interest expense.

As of June 30, 2020, the estimated fair value of the 2024 Notes was approximately $858.0 million. The fair value of the 2024 Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2024 Notes.

On July 21, 2020, we completed a cash tender offer for up to $639 million in aggregate principal amount of the 2024 Notes and the 2017 Senior Notes. We accepted for purchase all of 2024 Notes validly tendered and not validly withdrawn pursuant to the cash tender offer, amounting to $2.7 million aggregate principal amount of the 2024 Notes.We made the cash tender offer at par to satisfy obligations under the indentures governing the 2024 Notes and the 2017 Senior Notes relating to the use of certain cash proceeds from our disposition of the Management Services business, which was completed on January 31, 2020.

At any time prior to July 15, 2024, we may redeem on one or more occasions all or part of the 2024 Notes at a redemption price equal to the sum of (i) 100% of the principal amount thereof, plus (ii) a "make-whole" premium as of the date of the redemption, plus any accrued and unpaid interest to the date of redemption. In addition, on or after July 15, 2024, the 2024 Notes may be redeemed at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption.

The indenture pursuant to which the 2024 Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2024 Notes as of June 30, 2020.

2017 Senior Notes

On February 21, 2017, we completed a private placement offering of $1,000,000,000 aggregate principal amount of our unsecured 5.125% Senior Notes due 2027 (the 2017 Senior Notes) and used the proceeds to immediately retire the remaining $127.6 million outstanding on the then existing term loan B facility as well as repay $600 million of the term loan A facility and $250 million of the revolving credit facility under our Credit Agreement. On June 30, 2017, we completed an exchange offer to exchange the unregistered 2017 Senior Notes for registered notes, as well as related guarantees.

As of June 30, 2020, the estimated fair value of the 2017 Senior Notes was approximately $1,065.0 million. The fair value of the 2017 Senior Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2017 Senior Notes. Interest will be payable on the 2017 Senior Notes at a rate of 5.125% per annum. Interest on the 2017 Senior Notes is payable semi-annually on March 15 and September 15 of each year, commencing on September 15, 2017. The 2017 Senior Notes will mature on March 15, 2027.

At any time and from time to time prior to December 15, 2026, we may redeem all or part of the 2017 Senior Notes, at a redemption price equal to 100% of their principal amount, plus a “make whole” premium as of the redemption date, and accrued and unpaid interest to the redemption date.

At any time on or after December 15, 2026, we may redeem on one or more occasions all or part of the 2017 Senior Notes at a redemption price equal to 100% of their principal amount, plus accrued and unpaid interest.

The indenture pursuant to which the 2017 Senior Notes were issued contains customary events of default, including, among other things, payment default, exchange default, failure to provide notices thereunder and provisions related to bankruptcy events. The indenture also contains customary negative covenants.

We were in compliance with the covenants relating to the 2017 Senior Notes as of June 30, 2020.

URS Senior Notes

In connection with the URS acquisition, we assumed the URS 3.85% Senior Notes due 2017 (2017 URS Senior Notes) and the URS 5.00% Senior Notes due 2022 (2022 URS Senior Notes), totaling $1.0 billion (URS Senior Notes). The URS acquisition triggered change in control provisions in the URS Senior Notes that allowed the holders of the URS Senior Notes to redeem their URS Senior Notes at a cash price equal to 101% of the principal amount and, accordingly, we redeemed $572.3 million of the URS Senior Notes on October 24, 2014. The remaining 2017 URS Senior Notes matured and were fully redeemed on April 3, 2017 for $179.2 million using proceeds from a $185 million delayed draw term loan A facility tranche under the Credit Agreement. The 2022 URS Senior Notes are general unsecured senior obligations of AECOM Global II, LLC (as successor in interest to URS) and are fully and unconditionally guaranteed on a joint-and-several basis by certain former URS domestic subsidiary guarantors.

As of June 30, 2020, the estimated fair value of the 2022 URS Senior Notes was approximately $251.9 million. The carrying value of the 2022 URS Senior Notes on our Consolidated Balance Sheets as of June 30, 2020 was $248.2 million. The fair value of the 2022 URS Senior Notes as of June 30, 2020 was derived by taking the mid-point of the trading prices from an observable market input (Level 2) in the secondary bond market and multiplying it by the outstanding balance of the 2022 URS Senior Notes.

As of June 30, 2020, we were in compliance with the covenants relating to the 2022 URS Senior Notes.

Other Debt and Other Items

Other debt consists primarily of obligations under capital leases and loans, and unsecured credit facilities. Our unsecured credit facilities are primarily used for standby letters of credit issued in connection with general and professional liability insurance programs and for contract performance guarantees. At June 30, 2020 and September 30, 2019, these outstanding standby letters of credit totaled $411.1 million and $470.9 million, respectively. As of June 30, 2020, we had $473.5 million available under these unsecured credit facilities.

Effective Interest Rate

Our average effective interest rate on our total debt, including the effects of the interest rate swap agreements, during the nine months ended June 30, 2020 and 2019 was 5.2% and 5.1%, respectively.

Interest expense in the consolidated statements of operations included amortization of deferred debt issuance costs for the three and nine months ended June 30, 2020 of $1.3 million and $3.8 million, respectively, and for the three and nine months ended June 30, 2019 of $1.3 million and $3.8 million, respectively.

Other Commitments

We enter into various joint venture arrangements to provide architectural, engineering, program management, construction management and operations and maintenance services. The ownership percentage of these joint ventures is typically representative of the work to be performed or the amount of risk assumed by each joint venture partner. Some of these joint ventures are considered variable interest. We have consolidated all joint ventures for which we have control. For all others, our portion of the earnings is recorded in equity in earnings of joint ventures. See Note 5, Joint Ventures and Variable Interest Entities, in the notes to our consolidated financial statements.

Other than normal property and equipment additions and replacements, expenditures to further the implementation of our various information technology systems, commitments under our incentive compensation programs, amounts we may expend to repurchase stock under our stock repurchase program and acquisitions from time to time and disposition costs, we currently do not have any significant capital expenditures or outlays planned except as described below. However, if we acquire additional businesses in the future or if we embark on other capital-intensive initiatives, additional working capital may be required.

Under our secured revolving credit facility and other facilities discussed in Other Debt and Other Items above, as of June 30, 2020, there was approximately $432.3 million, including both continuing and discontinued operations, outstanding under standby letters of credit primarily issued in connection with general and professional liability insurance programs and for contract performance guarantees. For those projects for which we have issued a performance guarantee, if the project subsequently fails to meet guaranteed performance standards, we may either incur significant additional costs or be held responsible for the costs incurred by the client to achieve the required performance standards.

We recognized on our balance sheet the funded status of our pension benefit plans, measured as the difference between the fair value of plan assets and the projected benefit obligation. At June 30, 2020, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $331.9 million. The total amounts of employer contributions paid for the nine months ended June 30, 2020 were $5.5 million for U.S. plans and $20.7 million for non-U.S. plans. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In some countries, the funding requirements are mandatory while in other countries, they are discretionary. There is a required minimum contribution for one of our domestic plans; however, we may make additional discretionary contributions. In the future, such pension funding may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors. In addition, we have collective bargaining agreements with unions that require us to contribute to various third party multiemployer pension plans that we do not control or manage. In addition, we have collective bargaining agreements with unions that require us to contribute to various third party multiemployer plans that we do not control or manage.

Condensed Combined Financial Information

In connection with the registration of the Company’s 2014 Senior Notes that were declared effective by the SEC on September 29, 2015, AECOM became subject to the requirements of Rule 3-10 of Regulation S-X, as amended, regarding financial statements of guarantors and issuers of guaranteed securities. Both the 2014 Senior Notes and the 2017 Senior Notes are fully and unconditionally guaranteed on a joint and several basis by some of AECOM’s directly and indirectly 100% owned subsidiaries (the Subsidiary Guarantors). Other than customary restrictions imposed by applicable statutes, there are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to AECOM in the form of cash dividends, loans or advances.

The following tables present condensed combined summarized financial information for AECOM and the Subsidiary Guarantors. All intercompany balances and transactions are eliminated in the presentation of the combined financial statements. Amounts provided do not represent our total consolidated amounts as of June 30, 2020 and September 30, 2019, and for the nine months ended June 30, 2020.

Condensed Combined Balance Sheets
Parent and Subsidiary Guarantors
(unaudited - in millions)

	June 30, 2020	September 30, 2019
Current assets	$ 3,700.3	$ 3,433.0
Non-current assets	3,523.1	4,064.3
Total assets	$ 7,223.4	$ 7,497.3
Current liabilities	$ 3,063.2	$ 3,508.0
Non-current liabilities	2,847.7	3,177.9
Total liabilities	5,910.9	6,685.9
Total stockholders' equity	1,312.5	811.4
Total liabilities and stockholders' equity	$ 7,223.4	$ 7,497.3

Condensed Combined Statement of Operations
Parent and Subsidiary Guarantors
(unaudited - in millions)

		For the nine months ended June 30, 2020
Revenue	$	5,612.8
Cost of revenue		5,442.0
Gross profit		170.8
Net loss from continuing operations		(242.3)
Net income from discontinued operations		115.6
Net loss	$	(126.7)
Net loss attributable to AECOM	$	(126.7)

New Accounting Pronouncements and Changes in Accounting

For information regarding recent accounting pronouncements, see Notes to Consolidated Financial Statements included in Part I, Item 1.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Financial Market Risks

Financial Market Risks

We are exposed to market risk, primarily related to foreign currency exchange rates and interest rate exposure of our debt obligations that bear interest based on floating rates. We actively monitor these exposures. Our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign exchange rates and interest rates. In order to accomplish this objective, we sometimes enter into derivative financial instruments, such as forward contracts and interest rate hedge contracts. It is our policy and practice to use derivative financial instruments only to the extent necessary to manage our exposures. We do not use derivative financial instruments for trading purposes.

Foreign Exchange Rates

We are exposed to foreign currency exchange rate risk resulting from our operations outside of the U.S. We use foreign currency forward contracts from time to time to mitigate foreign currency risk. We limit exposure to foreign currency fluctuations in most of our contracts through provisions that require client payments in currencies corresponding to the currency in which costs are incurred. As a result of this natural hedge, we generally do not need to hedge foreign currency cash flows for contract work performed. The functional currency of our significant foreign operations is the respective local currency.

Interest Rates

Our Credit Agreement and other debt obligations are subject to variable rate interest which could be adversely affected by an increase in interest rates. As of June 30, 2020, we had no outstanding borrowings under our revolving credit facility. Interest on amounts borrowed under these agreements is subject to adjustment based on specified levels of financial performance. The applicable margin that is added to the borrowing's base rate can range from 0.25% to 2.00%. For the nine months ended June 30, 2020, our weighted average floating rate borrowings were $337.1 million. If short-term floating interest rates had increased by 1.00%, our interest expense for the nine months ended June 30, 2020 would have increased by $2.5 million. We invest our cash in a variety of financial instruments, consisting principally of money market securities or other highly liquid, short-term securities that are subject to minimal credit and market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on management's evaluation, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), our CEO and CFO have concluded that our disclosure controls and procedures as defined in Rules 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), were effective as of June 30, 2020 to ensure that information required to be disclosed by us in this Quarterly Report on Form 10-Q or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended June 30, 2020 identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As a government contractor, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors. Intense government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting; and from time to time, we receive inquiries, subpoenas, and similar demands related to our ongoing business with government entities. Violations can result in civil or criminal liability as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

We are involved in various investigations, claims and lawsuits in the normal conduct of our business. We are not always aware if we or our affiliates are under investigation or the status of such matters. Although the outcome of our legal proceedings cannot be predicted with certainty and no assurances can be provided, in the opinion of our management, based upon current information and discussions with counsel, with the exception of the matters noted in Note 15, Commitments and Contingencies, to the financial statements contained in this report to the extent stated therein, none of the investigations, claims and lawsuits in which we are involved is expected to have a material adverse effect on our consolidated financial position, results of operations, cash flows or our ability to conduct business. See Note 15, Commitments and Contingencies, to the financial statements contained in this report for a discussion of certain matters to which we are a party. The information set forth in such note is incorporated by reference into this Item 1. From time to time, we establish reserves for litigation or other proceedings when we consider it probable that a loss will occur.

Item 1A. Risk Factors

We operate in a changing environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect our operations. Additional risks we do not yet know of or that we currently believe are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected.

We face various risks related to health outbreaks such as the coronavirus that may have material adverse effects on our business, financial position, results of operations and/or cash flows.

We face various risks related to health epidemics, pandemics, and similar outbreaks, including the recent global outbreak of the coronavirus pandemic. If significant portions of our workforce are unable to work or travel effectively for a prolonged period because of government-mandated quarantines, closures, or other restrictions, then our business and financial operations will be significantly impacted. For example, work on some non-essential construction and other client projects has temporarily halted our services on these projects. Extended disruptions due to the coronavirus could further delay or limit our ability to perform services, make or receive timely payments, and impair our ability to win future contracts. The continued spread of coronavirus without any impact from any effective treatments may cause further financial instability increasing our costs and ability to access the capital markets. The coronavirus pandemic is expected to reduce demand for our services and impact client spending in certain circumstances. An extended health outbreak could adversely affect the world economy resulting in an economic downturn that could further affect demand for our services. Any cost increases due to the coronavirus may not be fully recoverable or adequately covered by our insurance. We cannot at this time predict the duration of the coronavirus pandemic or the impact of government regulations that might be imposed in response of the pandemic, however, the coronavirus pandemic may have a material adverse effect on our business, financial position, results of operations and cash flows.

An extended government shutdown, payment delays or reduced demand for our services may have a material impact on our results of operation and financial condition.

An extended government shutdown could significantly reduce demand for our services, delay payment and result in workforce reductions that may have a material adverse effect on our results of operation and financial condition. Moreover, a prolonged government shutdown could result in program cancellations, disruptions and/or stop work orders and could limit the government's ability to effectively process and our ability to perform government contracts and successfully compete for new work.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns and reductions in government and private industry spending. If economic conditions remain uncertain and/or weaken, our revenue and profitability could be adversely affected.

Demand for our services is cyclical and may be vulnerable to sudden economic downturns, interest rate fluctuations and reductions in government and private industry spending that result in clients delaying, curtailing or canceling proposed and existing projects. For example, the coronavirus pandemic is expected to reduce demand for our services and impact client spending in certain circumstances. In addition, commodity price volatility has previously impacted our oil and gas business and business regions whose economies are substantially dependent on commodities prices such as the Middle East and has also impacted North American oil and gas clients' investment decisions.

Where economies are weakening, our clients may demand more favorable pricing or other terms while their ability to pay our invoices or to pay them in a timely manner may be adversely affected. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. If economic conditions remain uncertain and/or weaken and/or government spending is reduced, our revenue and profitability could be materially adversely affected.

We depend on long-term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple-year contract, we may not be able to realize all of our anticipated revenue and profits from that project.

A substantial portion of our revenue is derived from contracts with agencies and departments of national, state and local governments. During fiscal 2019, approximately 44% of our revenue was derived from contracts with government entities.

Most government contracts are subject to the government's budgetary approval process. Legislatures typically appropriate funds for a given program on a year-by-year basis, even though contract performance may take more than one year. In addition, public-supported financing such as state and local municipal bonds may be only partially raised to support existing infrastructure projects. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, a government shutdown, competing priorities for appropriation, changes in administration or control of legislatures and the timing and amount of tax receipts and the overall level of government expenditures. Similarly, the impact of an economic downturn on state and local governments, including as a result of the coronavirus, may make it more difficult for them to fund infrastructure projects. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from that contract.

If we are unable to win or renew government contracts during regulated procurement processes, our operations and financial results would be harmed.

Government contracts are awarded through a regulated procurement process. The federal government has awarded multi-year contracts with pre-established terms and conditions, such as indefinite delivery contracts, that generally require those contractors that have previously been awarded the indefinite delivery contract to engage in an additional competitive bidding process before a task order is issued. In addition, the federal government has also awarded federal contracts based on a low-price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result of these competitive pricing pressures, our profit margins on future federal contracts may be reduced and may require us to make sustained efforts to reduce costs in order to realize revenues and profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, we may not be awarded government contracts because of existing government policies designed to protect small businesses and under-represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes could harm our operations and reduce our profits and revenues.

Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue.

Most government contracts may be modified, curtailed or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profits from that contract. In addition, for some assignments, the U.S. government may attempt to “insource” the services to government employees rather than outsource to a contractor. If a government terminates a contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

Our contracts with governmental agencies are subject to audit, which could result in adjustments to reimbursable contract costs or, if we are charged with wrongdoing, possible temporary or permanent suspension from participating in government programs.

Our books and records are subject to audit by the various governmental agencies we serve and their representatives. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If such matters are not resolved in our favor, they could have a material adverse effect on our business. In addition, if one of our subsidiaries is charged with wrongdoing as a result of an audit, that subsidiary, and possibly our company as a whole, could be temporarily suspended or could be prohibited from bidding on and receiving future government contracts for a period of time. Furthermore, as a government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud actions, whistleblower lawsuits and other legal actions and liabilities to which purely private sector companies are not, the results of which could materially adversely impact our business. For example, from time to time we may be subject to qui tam lawsuits. Qui tam lawsuits typically allege that we have made false statements or certifications in connection with claims for payment, or improperly retained overpayments, from the government. These suits may remain under seal (and hence, be unknown to us) for some time while the government decides whether to intervene on behalf of the qui tam plaintiff.

Our substantial leverage and significant debt service obligations could adversely affect our financial condition and our ability to fulfill our obligations and operate our business.

We had approximately $2.1 billion of indebtedness (excluding intercompany indebtedness) outstanding as of June 30, 2020, of which $48.1 million was secured obligations (exclusive of $21.2 million of outstanding undrawn letters of credit) and, as of June 30, 2020, we have an additional $1.3 billion of availability under our Credit Agreement (after giving effect to outstanding letters of credit), all of which would be secured debt, if drawn. Our financial performance could be adversely affected by our substantial leverage. We may also incur significant additional indebtedness in the future, subject to various conditions.

This high level of indebtedness could have important negative consequences to us, including, but not limited to:

- we may have difficulty satisfying our obligations with respect to outstanding debt obligations;
- we may have difficulty obtaining financing in the future for working capital, acquisitions, capital expenditures or other purposes;
- we may need to use all, or a substantial portion, of our available excess cash flow to pay interest and principal on our debt, which will reduce the amount of money available to finance our operations and other business activities, including, but not limited to, working capital requirements, acquisitions, capital expenditures or other general corporate or business activities;
- our debt level increases our vulnerability to general economic downturns and adverse industry conditions;
- our debt level could limit our flexibility in planning for, or reacting to, changes in our business and in our industry in general;
- our substantial amount of debt and the amount we must pay to service our debt obligations could place us at a competitive disadvantage compared to our competitors that have less debt;
- we may have increased borrowing costs;
- our clients, surety providers or insurance carriers may react adversely to our significant debt level;
- we may have insufficient funds, and our debt level may also restrict us from raising the funds necessary, to retire our debt instruments tendered to us upon maturity of our debt or the occurrence of a change of control, which would constitute an event of default under our debt instruments; and
- our failure to comply with the financial and other restrictive covenants in our debt instruments which, among other things, require us to maintain specified financial ratios and limit our ability to incur debt and sell assets, could result in an event of default that, if not cured or waived, could have a material adverse effect on our business or prospects.

Our high level of indebtedness requires that we use a substantial portion of our cash flow from operations to pay principal of, and interest on, our indebtedness, which will reduce the availability of cash to fund working capital requirements, future acquisitions, capital expenditures or other general corporate or business activities.

In addition, a portion of our indebtedness bears interest at variable rates, including borrowings under our Credit Agreement. If market interest rates increase, debt service on our variable-rate debt will rise, which could adversely affect our cash flow, results of operations and financial position. Although we may employ hedging strategies such that a portion of the aggregate principal amount of our term loans carries a fixed rate of interest, any hedging arrangement put in place may not offer complete protection from this risk. Additionally, the remaining portion of borrowings under our Credit Agreement that is not hedged will be subject to changes in interest rates.

The agreements governing our debt contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest.

The Credit Agreement and the indentures governing our debt contain a number of significant covenants that impose operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect, and in many respects limit or prohibit, among other things, our ability and the ability of some of our subsidiaries to:

- incur additional indebtedness;
- create liens;
- pay dividends and make other distributions in respect of our equity securities;
- redeem or repurchase our equity securities;
- distribute excess cash flow from foreign to domestic subsidiaries;
- make investments or other restricted payments;
- sell assets;
- enter into transactions with affiliates; and
- effect mergers or consolidations.

In addition, our Credit Agreement also requires us to comply with a consolidated interest coverage ratio and consolidated leverage ratio. Our ability to comply with these ratios may be affected by events beyond our control.

These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans, and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest.

A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under our debt instruments. If an event of default occurs, our creditors could elect to:

- declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable;
- require us to apply all of our available cash to repay the borrowings; or
- prevent us from making debt service payments on our borrowings.

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing some of our debt instruments, which constitutes substantially all of our domestic and foreign, wholly owned subsidiaries' assets.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A 1.00% increase in such interest rates would increase total interest expense under our Credit Agreement for the nine months ended June 30, 2020 by $2.5 million, including the effect of our interest rate swaps. We may, from time to time, enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves.

If we are unable to continue to access credit on acceptable terms, our business may be adversely affected.

The changing nature of the global credit markets could make it more difficult for us to access funds, refinance our existing indebtedness, enter into agreements for uncommitted debt bond facilities and new indebtedness, replace our existing revolving and term credit agreements or obtain funding through the issuance of our securities. We use credit facilities to support our working capital and other needs. There is no guarantee that we can continue to renew our credit facility on terms as favorable as those in our existing credit facility and, if we are unable to do so, our costs of borrowing and our business may be adversely affected.

The uncertainty surrounding the implementation of, and effects of, the United Kingdom's proposed withdrawal from the European Union could have an adverse effect on our business and financial results.

In March 2017, the United Kingdom government initiated a process to withdraw from the European Union (Brexit) and began negotiating the terms of its separation. A withdrawal without a trade agreement in place could significantly disrupt the free movement of goods, services, and people between the United Kingdom and the European Union, and result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. Further, the uncertainty surrounding Brexit has created substantial economic and political uncertainty and volatility in currency exchange rates. Our United Kingdom business is a significant part of our European operations with approximately 7,000 employees and revenues representing approximately 6% of our total revenue for the fiscal year ended September 30, 2019. The uncertainty created by Brexit may cause our customers to closely monitor their costs and reduce demand for our services and may ultimately result in new regulatory and cost challenges for our United Kingdom and global operations. Any of these events could adversely affect our United Kingdom, European and overall business and financial results.

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations that could harm our business and financial results.

During fiscal 2019, revenue attributable to our services provided outside of the United States to non-U.S. clients was approximately 29% of our total revenue. There are risks inherent in doing business internationally, including:

- imposition of governmental controls and changes in laws, regulations or policies;
- political and economic instability, such as in the Middle East and South East Asia;
- civil unrest, acts of terrorism, force majeure, war, or other armed conflict;
- changes in U.S. and other national government trade policies affecting the markets for our services, such as recent retaliatory tariffs between the United States and China;
- recent political unrest in Hong Kong where AECOM has a significant presence;
- impact of the coronavirus and its related economic impacts;
- changes in regulatory practices, tariffs and taxes, such as Brexit;
- potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U.S. laws and regulations;
- changes in labor conditions;

- logistical and communication challenges; and
- currency exchange rate fluctuations, devaluations and other conversion restrictions.

Any of these factors could have a material adverse effect on our business, results of operations or financial condition.

In addition, Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt have cut diplomatic ties and restricted business with Qatar by closing off access to that country with an air, sea and land traffic embargo. During the economic embargo, products cannot be shipped directly to Qatar from the UAE, Saudi Arabia or Bahrain and financial services may be limited. Our Qatarian business is a significant part of our Middle East operations with approximately several hundred employees. The economic embargo may make it difficult to complete ongoing Qatarian projects and could reduce future demand for our services.

We operate in many different jurisdictions and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws.

The U.S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U.K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. In addition, from time to time, government investigations of corruption in construction-related industries affect us and our peers. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition.

We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us.

Some of our services are performed in high-risk locations, such as the Middle East, Africa, and Southwest Asia, where the country or location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets.

Many of our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation.

Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations.

Cybersecurity threats, information technology systems outages and data privacy incidents could adversely harm our business.

We develop, install and maintain information technology systems for our clients and employees. We may experience errors, outages, or delays of service in our information technology systems, which could significantly disrupt our operations, impact our clients and employees, damage our reputation, and result in litigation and regulatory fines or penalties. Client contracts for the performance of information technology services, primarily with the federal government, as well as various privacy and securities laws pertaining to client and employee usage, require us to manage and protect sensitive and proprietary information. For example, the European's Union General Data Protection Regulation extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of the company's location. In addition, the California Consumer Privacy Act increased the penalties for data privacy incidents.

We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, phishing and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients' proprietary information. We rely on industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems. In the ordinary course of business, we have been targeted by malicious cyber-attacks. Anyone who circumvents our security measures could misappropriate proprietary information, including information regarding us, our employees and/or our clients, or cause interruptions in our operations. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect and respond to cybersecurity incidents, there can be no assurance that our efforts will prevent these threats. As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect and respond against system disruptions and security breaches.

We also rely in part on third-party software and information technology vendors to run our critical accounting, project management and financial information systems. We depend on our software and information technology vendors to provide long-term software and hardware support for our information systems. Our software and information technology vendors may decide to discontinue further development, integration or long-term software and hardware support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations.

Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, while we maintain insurance that specifically covers these attacks, our coverage may not sufficiently cover all types of losses or claims that may arise.

An impairment charge of goodwill could have a material adverse impact on our financial condition and results of operations.

Because we have grown in part through acquisitions, goodwill and intangible assets-net represent a substantial portion of our assets. Under generally accepted accounting principles in the United States (GAAP), we are required to test goodwill carried in our Consolidated Balance Sheets for possible impairment on an annual basis based upon a fair value approach and whenever events occur that indicate impairment could exist. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, a significant sustained decline in our market capitalization and other factors. For example, in the year ended September 30, 2019, we recorded a noncash impairment of long-lived assets, including goodwill of $615.4 million primarily related to a decrease in the estimated recovery and fair value of reporting units with self-performed at-risk construction.

In addition, if we experience a decrease in our stock price and market capitalization over a sustained period, we could have to record an impairment charge in the future. The amount of any impairment could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken.

Our business and operating results could be adversely affected by losses under fixed-price or guaranteed maximum price contracts.

Fixed-price contracts require us to either perform all work under the contract for a specified lump-sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In addition, we may enter guaranteed maximum price contracts where we guarantee a price or delivery date. For the year ended September 30, 2019, our revenue was comprised of 44%, 29%, and 27% cost-reimbursable, guaranteed maximum price, and fixed-price contracts, respectively. Fixed-price contracts expose us to a number of risks not inherent in cost-reimbursable contracts, including underestimation of costs, ambiguities in specifications, unforeseen increases in or failures in estimating the cost of raw materials, equipment or labor, problems with new technologies, delays beyond our control, fluctuations in profit margins, failures of subcontractors to perform and economic or other changes that may occur during the contract period. United States and foreign trade policy actions and tariffs such as the 2018 tariffs on steel and aluminum imports in the United States could affect the profitability of our fixed-price construction projects. Losses under fixed-price or guaranteed contracts could be substantial and adversely impact our results of operations.

Our failure to meet contractual schedule or performance requirements that we have guaranteed could adversely affect our operating results.

In some circumstances, we can incur liquidated or other damages if we do not achieve project completion by a scheduled date. If we or an entity for which we have provided a guarantee subsequently fails to complete the project as scheduled and the matter cannot be satisfactorily resolved with the client, we may be responsible for cost impacts to the client resulting from any delay or the cost to complete the project. Our costs generally increase from schedule delays and/or could exceed our projections for a particular project. In addition, project performance can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions, pandemics including the current coronavirus, and other factors. Material performance problems for existing and future contracts could cause actual results of operations to differ from those anticipated by us and also could cause us to suffer damage to our reputation within our industry and client base.

We may not be able to maintain adequate surety and financial capacity necessary for us to successfully bid on and win contracts.

In line with industry practice, we are often required to provide surety bonds, standby letters of credit or corporate guarantees to our clients that indemnify the customer should our affiliate fail to perform its obligations under the terms of a contract. As of June 30, 2020 and September 30, 2019, we were contingently liable for $5.2 billion and $4.8 billion, respectively, in issued surety bonds primarily to support project execution and we had outstanding letters of credit totaling $432.3 million and $493.7 million, respectively. A surety may issue a performance or payment bond to guarantee to the client that our affiliate will perform under the terms of a contract. If our affiliate fails to perform under the terms of the contract, then the client may demand that the surety or another corporate affiliate provide the contracted services. In addition, we would typically have obligations to indemnify the surety for any loss incurred in connection with the bond. If a surety bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate surety bond or letter of credit, we may not be able to pursue that project, which in turn could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

We conduct a portion of our operations through joint venture entities, over which we may have limited control.

Approximately 11% of our fiscal 2019 revenue was derived from our operations through joint ventures or similar partnership arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially adversely impact the business and operations of a joint venture and, in turn, our business and operations.

Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Sales of our services provided to our unconsolidated joint ventures were approximately 3% of our fiscal 2019 revenue. We generally do not have control of these unconsolidated joint ventures. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures, which could have a material adverse effect on our financial condition and results of operations and could also affect our reputation in the industries we serve.

We participate in joint ventures where we provide guarantees and may be adversely impacted by the failure of the joint venture or its participants to fulfill their obligations.

We have investments in and commitments to joint ventures with unrelated parties, including in connection with construction services, government services, and the investment activities of ACAP. For example, real estate and infrastructure joint ventures are inherently risky and may result in future losses since real estate markets are impacted by economic trends and government policies that we do not control. These joint ventures from time to time may borrow money to help finance their activities and in some circumstances, we are required to provide guarantees of obligations of our affiliated entities. In addition, in connection with the investment activities of ACAP, we provide guarantees of obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. If these entities are not able to honor their obligations under the guarantees, we may be required to expend additional resources or suffer losses, which could be significant.

AECOM Capital's real estate development and investment activities are inherently risky and may result in a future loss.

ACAP's real estate business involves managing, sponsoring, investing and developing commercial real estate projects (Real Estate Joint Ventures) that are inherently risky and may result in future losses since real estate markets are significantly impacted by economic trends and government policies that we do not control. Our registered investment adviser jointly manages and sponsors the AECOM-Canyon Equity Fund, L.P. (the "Fund"), in which the Company indirectly holds an equity interest and which also invests and develops Real Estate Joint Ventures on behalf of its investors. Real Estate Joint Ventures rely on substantial amounts of third party borrowing to finance their development activities including completion guarantees, repayment guarantees, environmental indemnities and other lender required credit support guarantees that may be provided by AECOM or an affiliate to secure the Real Estate Joint Venture financing. Although the Fund and the Real Estate Ventures have reserves that will be used to share any cost overruns of the Real Estate Joint Ventures, if such reserves are depleted, then AECOM may be required to make support payments to fund non-budgeted cost overruns on behalf of the Fund (but not on behalf of the Fund's co-partner or any unaffiliated limited partners of the Real Estate Joint Ventures). Some of the Fund's limited partners may be permitted to make additional equity co-investments in certain Real Estate Joint Ventures for which AECOM will provide support payments on behalf of the limited partner co-investor in the event of a cost overrun of the Real Estate Joint Venture after additional specific reserves have been depleted. AECOM's provision of lender guarantees is contingent upon the Real Estate Joint Ventures meeting AECOM's underwriting criteria, including an affiliate of AECOM acting as either the construction manager at risk or the owner's representative for the project, no material adverse change in AECOM's financial condition, and the guarantee not violating a covenant under a material AECOM agreement.

Misconduct by our employees, partners or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies.

As a government contractor, misconduct, fraud or other improper activities caused by our employees', partners' or consultants' failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with procurement regulations, environmental regulations, regulations regarding the protection of sensitive government information, legislation regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, and anti-corruption, anti-competition, export control and other applicable laws or regulations. Our failure to comply with applicable laws or regulations, misconduct by any of our employees or consultants or our failure to make timely and accurate certifications to government agencies regarding misconduct or potential misconduct could subject us to fines and penalties, loss of government granted eligibility, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business.

We may be required to contribute additional cash to meet our significant underfunded benefit obligations associated with pension benefit plans we manage or multiemployer pension plans in which we participate.

We have defined benefit pension plans for employees in the United States, United Kingdom, Canada, Australia, and Ireland. At September 30, 2019, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately $365.1 million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors that may require us to make additional cash contributions to our pension plans and recognize further increases in our net pension cost to satisfy our funding requirements. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our results of operations could be materially and adversely affected.

A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions will require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended September 30, 2019, we contributed $7.5 million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan’s unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan’s unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required.

New legal requirements could adversely affect our operating results.

Our business and results of operations could be adversely affected by the passage of climate change, defense, environmental, infrastructure and other laws, policies and regulations. Growing concerns about climate change and greenhouse gases, such as those adopted under the United Nations COP-21 Paris Agreement may result in the imposition of additional environmental regulations for our clients’ fossil fuel projects. For example, legislation, international protocols, regulation or other restrictions on emissions regulations could increase the costs of projects for our clients or, in some cases, prevent a project from going forward, thereby potentially reducing the need for our services. In addition, relaxation or repeal of laws and regulations, or changes in governmental policies regarding environmental, defense, infrastructure or other industries we serve could result in a decline in demand for our services, which could in turn negatively impact our revenues. We cannot predict when or whether any of these various proposals may be enacted or what their effect will be on us or on our customers.

We may be subject to substantial liabilities under environmental laws and regulations.

Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves in part the planning, design, program management, construction and construction management, and operations and maintenance at various sites, including but not limited to, pollution control systems, nuclear facilities, hazardous waste and Superfund sites, contract mining sites, hydrocarbon production, distribution and transport sites, military bases and other infrastructure-related facilities. We also regularly perform work, including construction services in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts in support of U.S. federal government entities to destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities. These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. We also own and operate several properties in the U.S. and Canada that have been used for the storage and maintenance of construction equipment. In the conduct of operations on these properties, and despite precautions having been taken, it is possible that there have been accidental releases of individually relatively small amounts of fuel, oils, hydraulic fluids and other fluids while storing or servicing this equipment. Such accidental releases though individually relatively small may have accumulated over time. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.

Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act and the Energy Reorganization Act of 1974, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability.

AECOM is a smaller, less diversified company after the sale of our Management Services business and more vulnerable to changing market conditions.

AECOM is a smaller, less diversified company after the sale of our Management Services business and more reliant on our remaining business segments. The diversification of revenues, costs, and cash flows is reduced as a result of the sale, such that our results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and our ability to fund capital expenditures, investments and service debt may be diminished. Restructuring costs and other costs incurred in connection with the Management Services sale may exceed our estimates or diminish the benefits we expected to realize. In addition, any contingent purchase price adjustments could be unfavorable and result in lower aggregate cash proceeds. We are also obligated to incur ongoing costs and retain certain legal claims that were previously allocated to the Management Services business. As a result, we may be more vulnerable to changing market conditions, which could have a material adverse effect on our business, financial condition, and results of operations.

We may be unable to successfully execute or effectively integrate acquisitions and divestitures may not occur as planned.

We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all, and during the integration of any acquisition, we may discover regulatory and compliance issues. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns; (ii) the failure to integrate acquired businesses on schedule and/or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; (iv) diversion of attention and increased burdens on our employees; and (v) the discovery of unanticipated liabilities or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification. Additional difficulties we may encounter as part of the integration process include the following:

- the consequences of a change in tax treatment and the possibility that the full benefits anticipated from the acquisition or disposition will not be realized;
- any delay in the integration or disposition of management teams, strategies, operations, products and services;
- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the ability to retain key employees;
- the ability to create and enforce uniform standards, controls, procedures, policies and information systems;
- the challenge of restructuring complex systems, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate beyond current estimates;
- the ability to deduct or claim tax attributes or benefits such as operating losses, business or foreign tax credits; and
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these factors could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or could reduce our earnings or otherwise adversely affect our business and financial results.

Our plans to divest certain businesses are subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated time frame, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business.

Divesting businesses involve risks and uncertainties, such as the difficulty separating assets related to such businesses from the businesses we retain, employee distraction, the need to obtain regulatory approvals and other third-party consents, which potentially disrupts customer and vendor relationships, and the fact that we may be subject to additional tax obligations or loss of certain tax benefits. Such actions also involve significant costs and require time and attention of our management, which may divert attention from other business operations. Because of these challenges, as well as market conditions or other factors, the anticipated divestitures may take longer or be costlier or generate fewer benefits than expected and may not be completed at all. If we are unable to complete the divestitures or to successfully transition divested businesses, our business and financial results could be negatively impacted. After we dispose of a business, we may retain exposure on financial or performance guarantees and other contractual, employment, pension and severance obligations, and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquirer. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our results of operations. In addition, the divestiture of any business could negatively impact our profitability because of losses that may result from such a sale, the loss of sales and operating income, or a decrease in cash flows.

Our ability to compete in our industry will be harmed if we do not retain the continued services of our senior management and key technical personnel.

We rely heavily upon the expertise and leadership of our senior management. In addition, there is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel in the timeframe demanded by our clients. Also, some of our personnel hold government granted eligibility that may be required to obtain government projects. If we were to lose some or all of these personnel, they would be difficult to replace. Loss of the services of, or failure to recruit senior management or key technical personnel could impact the long term performance of the Company and limit our ability to successfully complete existing projects and compete for new projects.

Our revenue and growth prospects may be harmed if we or our employees are unable to obtain government granted eligibility or other qualifications we and they need to perform services for our customers.

A number of government programs require contractors to have government granted eligibility, such as security clearance credentials. Depending on the project, eligibility can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain the necessary eligibility, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue or profit anticipated from such contract.

Our industry is highly competitive and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share.

We are engaged in a highly competitive business. The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. These competitors may have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors.

The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships, price and ability to provide the relevant services in a timely, safe and cost-efficient manner. Increased competition may result in our inability to win bids for future projects, increased margin pressure and loss of revenue, profitability and market share.

If we extend a significant portion of our credit to clients in a specific geographic area or industry, we may experience disproportionately high levels of collection risk and nonpayment if those clients are adversely affected by factors particular to their geographic area or industry.

Our clients include public and private entities that have been, and may continue to be, negatively impacted by the changing landscape in the global economy. While outside of the U.S. federal government, no one client accounted for over 10% of our revenue for fiscal 2019, we face collection risk as a normal part of our business where we perform services and subsequently bill our clients for such services, or when we make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. In the event that we have concentrated credit risk from clients in a specific geographic area or industry, continuing negative trends or a worsening in the financial condition of that specific geographic area or industry could make us susceptible to disproportionately high levels of default by those clients. Such defaults could materially adversely impact our revenues and our results of operations.

Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage.

Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from our services. In addition, we sometimes contractually assume liability to clients on projects under indemnification or guarantee agreements. We cannot predict the magnitude of potential liabilities from the operation of our business. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations.

Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business.

Unavailability or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations.

We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits.

If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition.

We provide services to the nuclear energy industry in the ongoing maintenance and modification, as well as the decontamination and decommissioning, of nuclear energy plants. Indemnification provisions under the Price-Anderson Act available to nuclear energy plant operators and contractors do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the nuclear energy industry. If the Price-Anderson Act's indemnification protection does not apply to our services or if our exposure occurs outside the U.S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur.

Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and, thus may not accurately reflect future revenue and profits.

At June 30, 2020, our contracted backlog was approximately $19.6 billion, our awarded backlog was approximately $21.2 billion and our unconsolidated joint venture backlog was approximately $0.7 billion for a total backlog of $41.5 billion. Our contracted backlog includes revenue we expect to record in the future from signed contracts and, in the case of a public sector client, where the project has been funded. We reported transaction price allocated to remaining unsatisfied performance obligations (RUPO) of $19.1 billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant difference between our contracted backlog and RUPO is revenue related to service contracts that extend beyond the termination provisions of those contracts. Our contracted backlog includes revenues for service contracts expected to be earned over the term of that contract. Guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience, resulting in RUPO to be $0.5 billion lower than contracted backlog. Our awarded backlog includes revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed. We cannot guarantee that future revenue will be realized from either category of backlog or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are delayed, scaled back or canceled. These types of backlog reductions adversely affect the revenue and profits that we ultimately receive from contracts reflected in our backlog.

We have submitted claims to clients for work we performed beyond the initial scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted.

We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenue. In general, we cannot guarantee that such claims will be approved in whole, in part, or at all. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. If these claims are not approved, our revenue may be reduced in future periods.

In conducting our business, we depend on other contractors, subcontractors and equipment and material providers. If these parties fail to satisfy their obligations to us or other parties or if we are unable to maintain these relationships, our revenue, profitability and growth prospects could be adversely affected.

We depend on contractors, subcontractors and equipment and material providers in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. Also, to the extent that we cannot acquire equipment and materials at reasonable costs, or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and/or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized; we could be held responsible for such failures and/or we may be required to purchase the supplies or services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the supplies or services are needed.

We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. In addition, due to "pay when paid" provisions that are common in subcontracts in many countries, including the U.S., we could experience delays in receiving payment if the prime contractor experiences payment delays.

If clients use our reports or other work product without appropriate disclaimers or in a misleading or incomplete manner, or if our reports or other work product are not in compliance with professional standards and other regulations, our business could be adversely affected.

The reports and other work product we produce for clients sometimes include projections, forecasts and other forward-looking statements. Such information by its nature is subject to numerous risks and uncertainties, any of which could cause the information produced by us to ultimately prove inaccurate. While we include appropriate disclaimers in the reports that we prepare for our clients, once we produce such written work product, we do not always have the ability to control the manner in which our clients use such information. As a result, if our clients reproduce such information to solicit funds from investors for projects without appropriate disclaimers and the information proves to be incorrect, or if our clients reproduce such information for potential investors in a misleading or incomplete manner, our clients or such investors may threaten to or file suit against us for, among other things, securities law violations. For example, in August 2016, an affiliate entered into a settlement related to, among other things, alleged deficiencies in a traffic forecast. If we were found to be liable for any claims related to our client work product, our business could be adversely affected.

In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties.

Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position.

Our success depends, in part, upon our ability to protect our intellectual property. We rely on a combination of intellectual property policies and other contractual arrangements to protect much of our intellectual property where we do not believe that trademark, patent or copyright protection is appropriate or obtainable. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or the infringement of our patents and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position.

Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition, new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses.

We regularly negotiate with labor unions and enter into collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results.

Our charter documents contain provisions that may delay, defer or prevent a change of control.

Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following:

- ability of our Board of Directors to authorize the issuance of preferred stock in series without stockholder approval;
- vesting of exclusive authority in our Board of Directors to determine the size of the board (subject to limited exceptions) and to fill vacancies;
- advance notice requirements for stockholder proposals and nominations for election to our Board of Directors; and
- restrictions on our stockholders from acting by written consent.

Changes in tax laws could increase our worldwide tax rate and materially affect our results of operations.

We are subject to tax laws in the U.S. and numerous foreign jurisdictions. Many international legislative and regulatory bodies have proposed and/or enacted legislation that could significantly impact how U.S. multinational corporations are taxed on foreign earnings. Due to the large scale of our U.S. and international business activities, many of these proposed and enacted changes to the taxation of our activities could increase our worldwide effective tax rate and harm results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Stock Repurchase Program

On September 21, 2017, the Company's Board of Directors announced a new capital allocation policy that authorized the repurchase of up to $1.0 billion in AECOM common stock (the "Program"). Stock repurchases can be made through open market purchases or other methods, including pursuant to a Rule 10b5-1 plan. The Company did not make any repurchases under the Program during the three months ended June 30, 2020. The maximum approximate dollar value of shares that may yet be purchased under the Program is $760.0 million.

Item 4. Mine Safety Disclosure

The Company does not act as the owner of any mines, but we may act as a mining operator as defined under the Federal Mine Safety and Health Act of 1977 where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or an independent contractor performing services or construction of such mine. Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95.

Item 5. Other Information

None

Item 6. Exhibits

The following documents are filed as Exhibits to the Report:

		Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423)			
Exhibit Numbers	**Description**	**Form**	**Exhibit**	**Filing Date**	**Filed Herewith**
2.1	Purchase and Sale Agreement, dated as of October 12, 2019, by and between AECOM and Maverick Purchaser Sub, LLC	Form 8-K	2.1	10/17/2019	
3.1	Amended and Restated Certificate of Incorporation	Form 10-K	3.1	11/21/2011	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation	Form S-4	3.2	8/1/2014	
3.3	Certificate of Correction of Amended and Restated Certificate of Incorporation	Form 10-K	3.3	11/17/2014	
3.4	Certificate of Amendment to the Certificate of Incorporation	Form 8-K	3.1	1/9/2015	
3.5	Certificate of Amendment to the Certificate of Incorporation	Form 8-K	3.1	3/3/2017	
3.6	Amended and Restated Bylaws of the Company	Form 8-K	3.2	11/15/2018	
10.1#	Letter Agreement between AECOM and W. Troy Rudd dated June 13, 2020				X

Exhibit Numbers	Description	Form	Incorporated by Reference (Exchange Act Filings Located at File No. 0-52423) Exhibit	Filing Date	Filed Herewith
10.2#	Letter Agreement between AECOM and Lara Poloni dated June 13, 2020				X
10.3#	Senior Leadership Severance Plan				X
31.1	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
95	Mine Safety Disclosure				X
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.				X
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in Inline XBRL				X

#Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AECOM

Date: August 5, 2020	By: /S/ W. TROY RUDD W. Troy Rudd *Executive Vice President and Chief Financial Officer*

Exhibit 10.1

AECOM

AECOM
1999 Avenue of the Stars
Suite 2600
Los Angeles, CA 90067
www.aecom.com

June 13, 2020

W. Troy Rudd
1999 Avenue of the Stars
Suite 2600
Los Angeles, CA 90067

Dear Troy:

I am pleased to offer you the position of Chief Executive Officer of AECOM ("**AECOM**" or the "**Company**") effective as of October 1, 2020 or such earlier date as the current Chief Executive Officer, Mike Burke, ceases serving in such position (such date, the "**Succession Date**"), subject to your continued employment with the Company through the Succession Date. From and after the Succession Date, you will report directly to the Board of Directors of the Company (the "**Board**"). Your promotion to Chief Executive Officer is conditioned upon your acceptance of the terms and conditions outlined in this letter (this "**Letter**").

Until the Succession Date, you will continue in your current role of Executive Vice President, Chief Financial Officer of the Company, reporting to Mr. Burke, with compensation and benefits on the same terms and conditions as apply to you as of the date hereof.

With respect to your service as Chief Executive Officer of the Company from and after the Succession Date, you will receive the compensation and benefits set forth below.

- A base salary of $1,000,000 per year (the "**Base Salary**"), subject to temporary salary reductions consistent with any policy or similar actions as applicable to executive officers of the Company generally. Your Base Salary will be reviewed annually by the Compensation and Organization Committee of the Board (the "**Compensation Committee**"), and as used in this Letter, references to Base Salary mean annual base salary as in effect from time to time.

- Participation in the AECOM Executive Incentive Plan as in effect from time to time, with a 2021 fiscal year target award opportunity equal to 125% of Base Salary (the "**Target Incentive Award**"). Your annual incentive award will be determined by the Compensation Committee subject to the achievement of performance goals and the terms of the plan.

- An annual long-term equity incentive award (the "**LTI Award**") under the terms of the Company's equity incentive plan as in effect from time to time and any applicable award agreements. The 2021 fiscal year LTI Award opportunity will have a target grant date fair value (as determined consistent with the Company's practices) equal to $4,750,000 (the "**Target LTI Award**"). The 2021 fiscal year LTI Award will be a mix of restricted stock units in respect of Company common stock ("**RSUs**") and performance earnings program units in respect of Company common stock ("**PEPs**"), as determined by the Compensation Committee and consistent with other senior executives. The RSUs will be granted on the Succession Date and will vest on the third anniversary of the date of grant. The PEPs will be granted on the date that PEPs with respect to the Company's 2021 fiscal year are granted to other executive officers of the Company (currently expected to occur in December of 2020) or such earlier date as determined by the Compensation Committee, and the terms and performance conditions of such PEPs will be determined by the Compensation Committee in the ordinary course. The commitment to grant you the LTI Award for the 2021 fiscal year is an obligation of the Company, and the 2021 LTI Award will be made subject to your continued employment on the Succession Date with respect to the RSU portion and the grant date in December of 2020 (or such earlier date of grant as determined by the Compensation Committee) with respect to the PEPs portion. The grant date and the terms and conditions of the LTI Award for future fiscal years, including the mix of awards, vesting terms and performance conditions, will be determined by the Compensation Committee.

· On the Succession Date, you will be granted a performance vesting non-qualified stock option to acquire shares of Company common stock with a grant date fair value (as determined consistent with the Company’s practices) equal to $3,000,000 (the “**Performance Option**”). The Performance Option will be granted under the AECOM 2020 Stock Incentive Plan (the “**2020 Plan**”) pursuant to an award agreement evidencing such grant with terms and conditions consistent with those described herein. The Performance Option will have an exercise price per share equal to the closing stock price (as reported by the New York Stock Exchange) of the Company’s common stock on the date of grant (the “**Exercise Price**”). The Performance Option will have both a service vesting requirement and a stock price performance vesting requirement, with the service vesting requirement to be satisfied with respect to 20% of the award on each of the first, second, third, fourth and fifth anniversaries of the date of grant (each anniversary, a “**Service Vesting Date**”) subject to your continued employment through the applicable Service Vesting Date. The stock price performance vesting requirement will be satisfied with respect to the percentage of the Performance Option set forth in the table below, if the volume-weighted average prices of the Company’s common stock during a twenty (20)-consecutive trading day period (following the date of grant and prior to the fifth anniversary thereof) equals or exceeds the applicable target stock price set forth in the table below.

Target Stock Price	Percentage
Exercise Price plus 20%	20%
Exercise Price plus 40%	40%
Exercise Price plus 60%	60%
Exercise Price plus 80%	80%
Exercise Price plus 100%	100%

The service vesting requirement will be deemed satisfied if, after the Succession Date, your employment terminates due to your death, “disability” (as defined below) or your retirement with the approval of the Board. In addition, the equity award vesting provisions under Company’s Change in Control Severance Policy for Key Executives (the “**CIC Severance Policy**”) and the Company’s Senior Leadership Severance Plan (the “**Pre-CIC Severance Plan**”) will apply to the Performance Option with respect to the service vesting requirement. Notwithstanding the foregoing, to the extent the stock price performance goals are not achieved prior to the fifth anniversary of the date of grant or the date your employment terminates for any reason, the unvested portion of the Performance Option will be forfeited for no consideration, without regard to the satisfaction (or deemed satisfaction) of the service vesting requirement.

Any vested portion of the Performance Option will expire on the seventh anniversary of the date of grant; *provided that*, if your employment terminates prior to the seventh anniversary of the date of grant, any vested portion of the Performance Option will expire (and no longer be exercisable) on the earlier of the seventh anniversary of the date of grant and (1) the first anniversary of the date of termination due to your death or "disability" or (2) the date that is ninety (90) days after the date of termination in the case of your resignation for any reason or a termination by the Company without "cause" (as defined below). The Performance Option, whether or not vested, will be forfeited immediately for no consideration upon a termination by the Company for "cause".

- Eligibility to participate in the Company's employee benefit plans as in effect from time to time that are available to other executive officers of the Company, including the CIC Severance Policy (with a two (2) times severance multiple) and the Pre-CIC Severance Plan, in each case, as in effect from time to time (and, with respect to the Pre-CIC Severance Plan, except as provided in the following sentence). Notwithstanding the terms of the Pre-CIC Severance Plan, if prior to or on or after the Succession Date, your employment is terminated by the Company other than for "cause" (and not due to your death or "disability") or you terminate your employment with the Company as a result of a material breach of this Letter by the Company (which is not cured within thirty (30) days after you have delivered prompt (not more than thirty (30) days from the event giving rise to the breach) written notice to the Company), you will be entitled to the severance payments and benefits provided under the Pre-CIC Severance Plan (subject to the delivery and non-revocation of a Separation and Release Agreement as contemplated thereunder), with the following modifications: (1) your lump sum cash severance benefit will equal two (2) times (not one (1) times) your annual Base Salary; and (2) your lump sum payment in respect of healthcare premiums will be multiplied by 24 (not 12).

- Your employment is conditioned on your agreement to and compliance with the covenants and obligations set forth in the Addendum, which is part of this Letter as if set forth herein and will be binding on you and enforceable by the Company. References to this Letter will include the Addendum.

- "**Cause**" in this Letter means: (1) the commission of an act of fraud or theft against the Company; (2) conviction (including a guilty plea or plea of nolo contendere) for any felony; (3) conviction (including a guilty plea or plea of nolo contendere) for any misdemeanor involving moral turpitude which might, in the Company's opinion, cause embarrassment to the Company; (4) significant violation of any material Company policy; (5) willful or repeated non-performance or substandard performance of material duties which is not cured within thirty (30) days after written notice thereof to you; or (6) violation of any material District of Columbia, state or federal laws, rules or regulations in connection with or during performance of your work which, if such violation is curable, is not cured within thirty (30) days after notice thereof to you.

- "**Disability**" in this Letter means your inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

<u>Miscellaneous</u>:

- All payments and compensation hereunder will be subject to applicable income tax, employment tax and other withholding.
- Your employment is at-will and may be terminated at any time for any reason, with or without notice, by you or the Company.
- As an employee of the Company, you will be subject to all Company policies, including the Company's Code of Conduct, Insider Trading Policy, clawback policy and stock ownership guidelines (following the Succession Date your stock ownership requirement will increase to six (6) times your Base Salary, to be satisfied within five (5) years of the Succession Date), as may be in effect from time to time.
- This Letter will be construed and enforced pursuant to the laws of the State of California, without regard to the conflict of law provisions of any state which would provide for the application of the laws of any state other than the State of California. Except with respect to the enforcement of the obligations under the Addendum, any dispute arising out of or relating to this Letter will be settled by binding arbitration by a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association, with such arbitration proceedings to be located in Los Angeles, California. The arbitrators will not be empowered to award damages in excess of compensatory damages. With respect to the obligations under the Addendum, you consent to the jurisdiction of any court of competent jurisdiction located in the State of California.
- The payments and benefits provided under this Letter are intended to comply with the requirements of Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder ("**Section 409A**"), or an exemption from Section 409A, and will be interpreted, applied and administered accordingly. All reimbursements under this Letter that constitute deferred compensation within the meaning of Section 409A will be made or provided in accordance with the requirements of Section 409A.
- Except as otherwise contemplated herein, this Letter contains the entire agreement between you and the Company with respect to the subject matter hereof.

[*Signature Page Follows*]

To accept our offer, please sign and date this Letter in the designated space below and return an executed version of this Letter to David Gan, Chief Legal Officer, which will become a binding agreement (including the Addendum) upon our receipt.

We look forward to an exciting future with you as our Chief Executive Officer.

Sincerely,

On behalf of AECOM,

/s/ Steven A. Kandarian	6/13/2020
Steven A.Kandarian Lead Independent Director of the Board Chairman of the Compensation and Organization Committee	Date

I hereby accept the terms and conditions of this Letter:

/s/ W. Troy Rudd	6/13/2020
W. Troy Rudd	Date

[Signature Page to Letter]

ADDENDUM

This Addendum (the "**Addendum**") to the Letter sets forth material terms and conditions of your employment with the Company that constitute binding and enforceable obligations between you and the Company. References herein to "the Company" shall include its subsidiaries and affiliates.

1. Confidentiality.

    a. Company Information. You agree at all times during your employment with the Company and thereafter, to hold in strictest confidence, and not to use, except in connection with the performance of your duties to the Company, and not to disclose to any person or entity without written authorization of the Company, any Confidential Information of the Company. As used herein, "**Confidential Information**" means any Company proprietary or confidential information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, marketing, distribution and sales methods and systems, sales and profit figures, finances and other business information disclosed to you by the Company, either directly or indirectly in writing, orally or by drawings or inspection of documents or other tangible property. However, Confidential Information does not include any of the foregoing items which have become publicly known and made generally available through no wrongful act by you.

    b. Executive-Restricted Information. You agree that during your employment with the Company you will not improperly use or disclose any proprietary or confidential information or trade secrets of any person or entity with whom you have an agreement or duty to keep such information or secrets confidential.

    c. Third Party Information. You recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. You agree at all times during your employment with the Company and thereafter, to hold in strictest confidence, and not to use, except in connection with the performance of your duties to the Company, and not to disclose to any person or entity, or to use it except as necessary in performing your duties, consistent with the Company's agreement with such third party.

    d. Return of Confidential Information. You agree, upon termination of the employment relationship or upon the written request of the Company, whichever is earlier, to promptly deliver to the Company all records, notes, and other written, printed, or tangible materials whether generated by you or others in your possession, including all copies thereof, pertaining to the Confidential Information.

2. Ownership of Information, Ideas, Concepts, Improvements, Discoveries and Inventions and all Original Works of Authorship.

   a. As between the Company and you, all information, ideas, concepts, improvements, discoveries and inventions, whether patentable or not, which are conceived, made, developed or acquired by you or which are disclosed or made known to you, individually or in conjunction with others, during your employment with the Company and which relate to the Company's business, products or services (including all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of clients or customers or their requirements, the identity of key contacts within the client or customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) are and shall be the sole and exclusive property of the Company. Moreover, all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries and inventions are and shall be the sole and exclusive property of the Company.

   b. In particular, you hereby specifically assign and transfer to the Company all of your worldwide right, title and interest in and to all such information, ideas, concepts, improvements, discoveries or inventions, and any United States or foreign applications for patents, inventor's certificates or other industrial rights that may be filed thereon, and applications for registration of such names and marks. During your employment with the Company and thereafter, you shall assist the Company and its nominee at all times in the protection of such information, ideas, concepts, improvements, discoveries or inventions, both in the United States and all foreign countries, including but not limited to, the execution of all lawful oaths and all assignment documents requested by the Company or its nominee in connection with the preparation, prosecution, issuance or enforcement of any applications for United States or foreign letters patent, and any application for the registration of such names and marks.

   c. Moreover, if during your employment with the Company, you create any original work of authorship fixed in any tangible medium of expression which is the subject matter of copyright (such as reports, videotapes, written presentations, computer programs, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to the Company's business, products, or services, whether such work is created solely by you or jointly with others, the Company shall be deemed the author of such work if the work is prepared by you in the scope of your employment; or, if the work is not prepared by you within the scope of your employment but is specially ordered by the Company as a contribution to a collective work, as a part of any written or audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. In the event such work is neither prepared by you within the scope of your employment nor a work specially ordered and deemed to be a work made for hire, then you hereby agree to assign, and by these presents, do assign, to the Company all of your worldwide right, title and interest in and to such work and all rights of copyright therein. Both during your employment with the Company and thereafter, you agree to assist the Company and its nominee, at any time, in the protection of the Company's worldwide right, title and interest in and to the work and all rights of copyright therein, including but not limited to, the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for registration of copyright in the United States and foreign countries; provided, however, that you shall be compensated by the Company at a reasonable hourly rate for assistance given after you are no longer employed by the Company.

3. Non-Solicitation of Employees, Customers or Clients. You agree that you shall not at any time during your employment with the Company and for one (1) year following your termination of employment with the Company for any reason, directly or indirectly:

    a. solicit, attempt to solicit, induce or otherwise cause any existing or future customer or client of the Company, to terminate, fail to extend or renew, reduce the funding of, or fail to provide additional funding for, any contract, proposal or work with the Company; or
    b. solicit, attempt to solicit, induce or otherwise cause any existing or prospective employee of the Company, to terminate or abort his or her employment with the Company, or hire or attempt to hire any existing or prospective employee of the Company to be employed or engaged as a consultant or employee by you or for any firm, organization, business, partnership, corporation or association with which you shall have an association.

4. Other Employment/Services. You agree that during the period of your employment with the Company, you will not, directly or indirectly, as an employee, director, consultant or in any other capacity, without the Company's express written consent, provide services to any corporation, partnership or other entity, or engage in any employment or business activity, that is competitive with the business conducted or services provided by the Company, or would otherwise conflict with, your employment by and duties to the Company.

5. Enforcement; Remedies. You agree that it is impossible to measure in money the damages which will accrue to the Company by reason of a failure by you to perform any of your obligations set forth in this Addendum. Accordingly, if the Company institutes any action or proceeding to enforce its rights under this Addendum, to the extent permitted by applicable law, you hereby waive the claim or defense that the Company or its affiliates has an adequate remedy at law, and you shall not claim that any such remedy at law exists. Furthermore, in addition to other remedies that may be available, including money damages, the Company will be entitled to specific performance and other injunctive relief, without the requirement to post a bond. Should any provision of this Addendum be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision will become null and void, leaving the remainder of this Addendum in full force and effect. Failure to insist upon strict compliance with any terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition. You understand that, as set forth in the Letter, California law will govern the obligations under this Addendum.

AECOM
1999 Avenue of the Stars
Suite 2600
Los Angeles, CA 90067 www.aecom.com

June 13, 2020

Lara Poloni
1999 Avenue of the Stars Suite 2600
Los Angeles, CA 90067

Dear Lara:

I am pleased to offer you the position of President of AECOM ("**AECOM**" or the "**Company**") effective as of October 1, 2020 or such earlier date as the current Chief Executive Officer, Mike Burke, ceases serving as Chief Executive Officer of AECOM (such date, the "**Succession Date**"), subject to your continued employment with the Company through the Succession Date. While serving as President, you will continue to report directly to the Chief Executive Officer of AECOM. Your promotion to President is conditioned upon your acceptance of the terms and conditions outlined in this letter (this "**Letter**").

Until the Succession Date, you will continue in your current role of Chief Executive of Europe, the Middle East and Africa of the Company, with compensation and benefits on the same terms and conditions as apply to you as of the date hereof.

With respect to your service as President of the Company from and after the Succession Date, you will receive the compensation and benefits set forth below.

- A base salary of U.S.$750,000 per year (the "**Base Salary**"), subject to temporary salary reductions consistent with any policy or similar actions as applicable to executive officers of the Company generally. Your Base Salary will be reviewed annually by the Compensation and Organization Committee of the Board (the "**Compensation Committee**"), and as used in this Letter, references to Base Salary mean annual base salary as in effect from time to time.

- Participation in the AECOM Executive Incentive Plan as in effect from time to time, with a 2021 fiscal year target award opportunity equal to 110% of Base Salary (the "**Target Incentive Award**"). Your annual incentive award will be determined by the Compensation Committee subject to the achievement of performance goals and the terms of the plan.

- An annual long-term equity incentive award (the "**LTI Award**") under the terms of the Company's equity incentive plan as in effect from time to time and any applicable award agreements. The 2021 fiscal year LTI Award opportunity will have a target grant date fair value (as determined consistent with the Company's practices) equal to U.S.$1,725,000 (the "**Target LTI Award**"). The 2021 fiscal year LTI Award will be a mix of restricted stock units in respect of Company common stock ("**RSUs**") and performance earnings program units in respect of Company common stock ("**PEPs**"), as determined by the Compensation Committee and consistent with other senior executives. The RSUs will be granted on the Succession Date and will vest on the third anniversary of the date of grant. The PEPs will be granted on the date that PEPs with respect to the Company's 2021 fiscal year are granted to other executive officers of the Company (currently expected to occur in December of 2020) or such earlier date as determined by the Compensation Committee, and the terms and performance conditions of such PEPs will be determined by the Compensation Committee in the ordinary course. The commitment to grant you the LTI Award for the 2021 fiscal year is an obligation of the Company, and the 2021 LTI Award will be made subject to your continued employment on the Succession Date with respect to the RSU portion and the grant date in December of 2020 (or such earlier date of grant as determined by the Compensation Committee) with respect to the PEPs portion. The grant date and the terms and conditions of the LTI Award for future fiscal years, including the mix of awards, vesting terms and performance conditions, will be determined by the Compensation Committee.

- Eligibility to participate in the Company's employee benefit plans as in effect from time to time that are available to other executive officers of the Company, including the Company's Change in Control Severance Policy for Key Executives (with a 1.5 times severance multiple) and the Company's Senior Leadership Severance Plan (the "**Pre-CIC Severance Plan**"), in each case, as in effect from time to time (and, with respect to the Pre-CIC Severance Plan, except as provided in the following sentence). Notwithstanding the terms of the Pre-CIC Severance Plan, if prior to or on or after the Succession Date, you terminate your employment with the Company as a result of a material breach of this Letter by the Company (which is not cured within thirty (30) days after you have delivered prompt (not more than thirty (30) days from the event giving rise to the breach) written notice to the Company), you will be entitled to the severance payments and benefits provided under the Pre-CIC Severance Plan (subject to the delivery and non-revocation of a Separation and Release Agreement as contemplated thereunder).

- Your employment is conditioned on your agreement to and compliance with the covenants and obligations set forth in the Addendum, which is part of this Letter as if set forth herein and will be binding on you and enforceable by the Company. References to this Letter will include the Addendum.

<u>Miscellaneous</u>:

- All payments and compensation hereunder will be subject to applicable income tax, employment tax and other withholding.
- Your employment is at-will and may be terminated at any time for any reason, with or without notice, by you or the Company.
- As an employee of the Company, you will be subject to all Company policies, including the Company's Code of Conduct, Insider Trading Policy, clawback policy and stock ownership guidelines, as may be in effect from time to time.
- This Letter will be construed and enforced pursuant to the laws of the State of California, without regard to the conflict of law provisions of any state which would provide for the application of the laws of any state other than the State of California. Except with respect to the enforcement of the obligations under the Addendum, any dispute arising

out of or relating to this Letter will be settled by binding arbitration by a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association, with such arbitration proceedings to be located in Los Angeles, California. The arbitrators will not be empowered to award damages in excess of compensatory damages. With respect to the obligations under the Addendum, you consent to the jurisdiction of any court of competent jurisdiction located in the State of California.

- The payments and benefits provided under this Letter are intended to comply with the requirements of Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder ("**Section 409A**"), or an exemption from Section 409A, and will be interpreted, applied and administered accordingly. All reimbursements under this Letter that constitute deferred compensation within the meaning of Section 409A will be made or provided in accordance with the requirements of Section 409A.
- Except as otherwise contemplated herein, this Letter contains the entire agreement between you and the Company with respect to the subject matter hereof.

[*Signature Page Follows*]

To accept our offer, please sign and date this Letter in the designated space below and return an executed version of this Letter to David Gan, Chief Legal Officer, which will become a binding agreement (including the Addendum) upon our receipt.

We look forward to an exciting future with you as our President.

Sincerely,

On behalf of AECOM,

/s/ Steven A. Kandarian	6/13/2020
Steven A. Kandarian Lead Independent Director of the Board Chairman of the Compensation and Organization Committee	Date

I hereby accept the terms and conditions of this Letter:

/s/ Lara Poloni	6/14/2020
Lara Poloni	Date

[*Signature Page to Letter*]

ADDENDUM

This Addendum (the "**Addendum**") to the Letter sets forth material terms and conditions of your employment with the Company that constitute binding and enforceable obligations between you and the Company. References herein to "the Company" shall include its subsidiaries and affiliates.

1. Confidentiality.

   a. Company Information. You agree at all times during your employment with the Company and thereafter, to hold in strictest confidence, and not to use, except in connection with the performance of your duties to the Company, and not to disclose to any person or entity without written authorization of the Company, any Confidential Information of the Company. As used herein, "**Confidential Information**" means any Company proprietary or confidential information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customer lists and customers, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, marketing, distribution and sales methods and systems, sales and profit figures, finances and other business information disclosed to you by the Company, either directly or indirectly in writing, orally or by drawings or inspection of documents or other tangible property. However, Confidential Information does not include any of the foregoing items which have become publicly known and made generally available through no wrongful act by you.

   b. Executive-Restricted Information. You agree that during your employment with the Company you will not improperly use or disclose any proprietary or confidential information or trade secrets of any person or entity with whom you have an agreement or duty to keep such information or secrets confidential.

   c. Third Party Information. You recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. You agree at all times during your employment with the Company and thereafter, to hold in strictest confidence, and not to use, except in connection with the performance of your duties to the Company, and not to disclose to any person or entity, or to use it except as necessary in performing your duties, consistent with the Company's agreement with such third party.

   d. Return of Confidential Information. You agree, upon termination of the employment relationship or upon the written request of the Company, whichever is earlier, to promptly deliver to the Company all records, notes, and other written, printed, or tangible materials whether generated by you or others in your possession, including all copies thereof, pertaining to the Confidential Information.

2. <u>Ownership of Information, Ideas, Concepts, Improvements, Discoveries and Inventions and all Original Works of Authorship</u>.

   a. As between the Company and you, all information, ideas, concepts, improvements, discoveries and inventions, whether patentable or not, which are conceived, made, developed or acquired by you or which are disclosed or made known to you, individually or in conjunction with others, during your employment with the Company and which relate to the Company's business, products or services (including all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of clients or customers or their requirements, the identity of key contacts within the client or customers' organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names and marks) are and shall be the sole and exclusive property of the Company. Moreover, all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries and inventions are and shall be the sole and exclusive property of the Company.

   b. In particular, you hereby specifically assign and transfer to the Company all of your worldwide right, title and interest in and to all such information, ideas, concepts, improvements, discoveries or inventions, and any United States or foreign applications for patents, inventor's certificates or other industrial rights that may be filed thereon, and applications for registration of such names and marks. During your employment with the Company and thereafter, you shall assist the Company and its nominee at all times in the protection of such information, ideas, concepts, improvements, discoveries or inventions, both in the United States and all foreign countries, including but not limited to, the execution of all lawful oaths and all assignment documents requested by the Company or its nominee in connection with the preparation, prosecution, issuance or enforcement of any applications for United States or foreign letters patent, and any application for the registration of such names and marks.

   c. Moreover, if during your employment with the Company, you create any original work of authorship fixed in any tangible medium of expression which is the subject matter of copyright (such as reports, videotapes, written presentations, computer programs, drawings, maps, architectural renditions, models, manuals, brochures or the like) relating to the Company's business, products, or services, whether such work is created solely by you or jointly with others, the Company shall be deemed the author of such work if the work is prepared by you in the scope of your employment; or, if the work is not prepared by you within the scope of your employment but is specially ordered by the Company as a contribution to a collective work, as a part of any written or audiovisual work, as a translation, as a supplementary work, as a compilation or as an instructional text, then the work shall be considered to be work made for hire and the Company shall be the author of the work. In the event such work is neither prepared by you within the scope of your employment nor a work specially ordered and deemed to be a work made for hire, then you hereby agree to assign, and by these presents, do assign, to the Company all of your worldwide right, title and interest in and to such work and all rights of copyright therein. Both during your employment with the Company and thereafter, you agree to assist the Company and its nominee, at any time, in the protection of the Company's worldwide right, title and interest in and to the work and all rights of copyright therein, including but not limited to, the execution of all formal assignment documents requested by the Company or its nominee and the execution of all lawful oaths and applications for registration of copyright in the United States and foreign countries; provided, however, that you shall be compensated by the Company at a reasonable hourly rate for assistance given after you are no longer employed by the Company.

3. Non-Solicitation of Employees, Customers or Clients. You agree that you shall not at any time during your employment with the Company and for one (1) year following your termination of employment with the Company for any reason, directly or indirectly:

    a. solicit, attempt to solicit, induce or otherwise cause any existing or future customer or client of the Company, to terminate, fail to extend or renew, reduce the funding of, or fail to provide additional funding for, any contract, proposal or work with the Company; or
    b. solicit, attempt to solicit, induce or otherwise cause any existing or prospective employee of the Company, to terminate or abort his or her employment with the Company, or hire or attempt to hire any existing or prospective employee of the Company to be employed or engaged as a consultant or employee by you or for any firm, organization, business, partnership, corporation or association with which you shall have an association.

4. Other Employment/Services. You agree that during the period of your employment with the Company, you will not, directly or indirectly, as an employee, director, consultant or in any other capacity, without the Company's express written consent, provide services to any corporation, partnership or other entity, or engage in any employment or business activity, that is competitive with the business conducted or services provided by the Company, or would otherwise conflict with, your employment by and duties to the Company.

5. Enforcement; Remedies. You agree that it is impossible to measure in money the damages which will accrue to the Company by reason of a failure by you to perform any of your obligations set forth in this Addendum. Accordingly, if the Company institutes any action or proceeding to enforce its rights under this Addendum, to the extent permitted by applicable law, you hereby waive the claim or defense that the Company or its affiliates has an adequate remedy at law, and you shall not claim that any such remedy at law exists. Furthermore, in addition to other remedies that may be available, including money damages, the Company will be entitled to specific performance and other injunctive relief, without the requirement to post a bond. Should any provision of this Addendum be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision will become null and void, leaving the remainder of this Addendum in full force and effect. Failure to insist upon strict compliance with any terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition. You understand that, as set forth in the Letter, California law will govern the obligations under this Addendum.

AECOM

Senior Leadership Severance Plan

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1. Purpose. The purpose of this AECOM Senior Leadership Severance Plan (the "Plan") is to provide severance protection to a select group of designated employees of the Company in the event of a termination of their employment in certain specified circumstances. The Plan is an "employee benefit plan," as defined in Section 3(3) of ERISA, and a "top hat" welfare plan for a select group of management or highly compensated employees under Section 2520.104-24 of ERISA.

2. Definitions. The following definitions are applicable for purposes of the Plan, in addition to the terms defined in Section 1 above:

(a) "Accrued Obligations" means, for an Eligible Employee, (i) any unpaid Annual Base Salary through the Date of Termination; (ii) any annual, short-term cash bonus for the most recently completed fiscal year prior to the Date of Termination for which payment has been approved in accordance with the terms of the applicable arrangement but has not been made as of the Date of Termination; (iii) unreimbursed business expenses reimbursable under the Company's policies then in effect; and (iv) earned and accrued paid time off, if applicable, to the extent not theretofore paid and otherwise payable on termination of employment pursuant to the Company's policies as in effect as of the Date of Termination.

(b) "Administrator" means the Committee.

(c) "Affiliate" means any entity controlled by, controlling or under common control with the Company.

(d) "Annual Base Salary" means an Eligible Employee's annualized base salary (not including any allowances to the extent applicable) as in effect immediately prior to the Date of Termination, without taking into account any temporary reduction in annual base salary that applied to the Eligible Employee pursuant to reductions imposed in a consistent manner on other Eligible Employees. All references herein to Annual Base Salary mean such amount prior to any reduction pursuant to a plan or other arrangement for deferral of compensation.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" means an Eligible Employee's (i) commission of an act of fraud or theft against the Company; (ii) conviction (including a guilty plea or plea of *nolo contendere*) for any felony; (iii) conviction (including a guilty plea or plea of *nolo contendere*) for any misdemeanor involving moral turpitude which might, in the Company's opinion, cause embarrassment to the Company; (iv) significant violation of any material Company policy; (v) willful or repeated non-performance or substandard performance of material duties which is not cured within thirty (30) days after written notice thereof to the Eligible Employee; or (vi) violation of any material District of Columbia, state or federal laws, rules or regulations in connection with or during performance of the Eligible Employee's service which, if such violation is curable, is not cured within thirty (30) days after notice thereof to the Eligible Employee.

(g) "CIC Plan" means the Company's Change in Control Severance Policy for Key Executives (or any successor plan thereto).

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations, and administrative guidance issued thereunder.

(i) "Committee" means the Compensation and Organization Committee of the Board.

(j) "Company" means AECOM, a Delaware corporation and any successor that assumes the obligations of the Company under the Plan, by way of merger, acquisition, consolidation or other transaction.

(k) "Date of Termination" means the date on which the Eligible Employee's employment is terminated by the Company.

(l) "Disability" means the Eligible Employee's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(m) "Eligible Employee" means an employee of the Company or one of its Subsidiaries who is (i) an "officer" (as defined in Section 16(a) of the Exchange Act) or a key employee and (ii) designated as an Eligible Employee by the Administrator. The individuals initially designated as Eligible Employees are set forth on Exhibit A of the Plan, with such Exhibit A to be updated from time to time to reflect the then-current Eligible Employees.

(n) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(o) "Exchange Act" means the Securities Exchange Act of 1934.

(p) "Qualifying Termination" means the involuntary termination of an Eligible Employee by the Company without Cause, other than (i) a termination due to the Eligible Employee's death or Disability or (ii) a termination during the "Protection Period" under the CIC Plan. The following shall not be considered a Qualifying Termination: (i) a transfer of employment from the Company to a Subsidiary or Affiliate or vice versa, or (ii) a termination of employment from AECOM in connection with the sale or other disposition of a Subsidiary or Affiliate to a third party, or substantially all of the assets of the business of a Subsidiary or Affiliate to a third party, for which the Eligible Employee primarily provides services.

(q) "Separation and Release Agreement" means the Separation and Release Agreement as contemplated by Section 6.

(r) "Severance Payment" has the meaning specified in Section 5(a).

(s) "Subsidiary" means any corporation, partnership, joint venture, limited liability company or other entity during any period when more than a 50% voting or profits interest is owned, directly or indirectly, by the Company or any successor to the Company.

(t) "Target Annual Incentive Award" means an Eligible Employee's target annual cash incentive award opportunity under the annual incentive plan of the Company or its Subsidiaries in which such Eligible Employee participates as of immediately prior to the Date of Termination for the fiscal year of the Company in which the Date of Termination occurs, or if the target annual cash incentive award opportunity for such fiscal year has not been established as of the Date of Termination, the Eligible Employee's target annual cash incentive award opportunity as in effect for the completed fiscal year immediately prior to the Date of Termination.

(u) "Years of Service" means the number of full, completed years in which an Eligible Employee has been employed by the Company or its Subsidiaries, beginning with the most recent date of hire with the Company or its Subsidiaries (as reflected in the Company's records and not taking into account the hire date or service with any predecessor or acquired entities) and ending on the Eligible Employee's Date of Termination.

3. Eligibility. An Eligible Employee shall be eligible for the severance payments and benefits under Section 5, subject to the terms and conditions described herein, if he or she experiences a Qualifying Termination.

4. Administration. The Plan shall be interpreted, administered, and operated by the Administrator, which shall have complete authority, subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to the Plan, and to make all other determinations necessary or advisable for the administration of the Plan. Such authority shall include the powers to resolve ambiguities, inconsistencies, and omissions and to correct any scrivener's error. All decisions, interpretations, and other actions of the Administrator shall be final, conclusive, and binding on all parties who have an interest in the Plan.

5. Severance Upon a Qualifying Termination. Upon the Qualifying Termination of an Eligible Employee, the Eligible Employee shall be entitled to receive the payments and benefits set forth below, subject to timely receipt by the Company (and the effectiveness) of, and continued compliance with, a Separation and Release Agreement signed by the Eligible Employee. The payment of the Accrued Obligations shall not be conditioned on the Separation and Release Agreement and shall be paid to the Eligible Employee within sixty (60) days after the Date of Termination (or such earlier date as required by applicable law).

(a) Severance Payment. A lump sum cash severance payment (the "Severance Payment") equal to the sum of:

(i) One (1) times the Eligible Employee's Annual Base Salary;

(ii) A prorated annual incentive award payment for the fiscal year in which the Date of Termination occurs equal to the product of (x) the Target Annual Incentive Award and (y) a fraction, (A) the numerator of which is the number of days elapsed during such fiscal year through the Date of Termination and (B) the denominator of which is 365 (without regard to the total number of days in such fiscal year); and

(iii) The amount equal to the product of (x) the monthly portion of the healthcare (medical, dental and vision) premiums payable by the Company or the applicable Subsidiary at the active employee rate applicable to the Eligible Employee as of immediately prior to the Date of Termination based on the Eligible Employee's coverage elections in effect immediately prior to the Date of Termination, and (y) twelve (12).

The Severance Payment will be paid to the Eligible Employee as soon as reasonably practicable following the effective date of the Separation and Release Agreement (and no later than sixty (60) days following the Date of Termination subject to the effectiveness of such agreement).

(b) Additional Service Credit for Equity Award Vesting. For purposes of determining the vested status of the then outstanding equity incentive awards held by the Eligible Employee as of immediately prior to the Date of Termination, the additional service crediting rules set forth below shall apply based on the Eligible Employee's Years of Service as of immediately prior to the Date of Termination. For the avoidance of doubt, this Section 5(b) does not provide for vesting of awards on a prorated basis; rather it provides for vesting of awards if the application of the additional service vesting credit set forth below would result in the Eligible Employee's being deemed employed by the Company on the applicable vesting date (and, in the case of performance vesting awards, subject to the achievement of the applicable performance goals), as set forth in the applicable award agreement.

(i) *Time Vesting Awards.* All or a portion of the time vesting equity incentive awards will be eligible to vest immediately and no longer be subject to forfeiture, based on the portion (if any) of the award that would have vested had the Eligible Employee remained employed following the Date of Termination for the number of months set forth in the additional service vesting credit schedule set forth in Section 5(b)(iii) below (*i.e.*, if the additional service vesting credit results in the Eligible Employee being deemed to have provided service to the Company through one or more of the original vesting dates applicable to the outstanding time vesting award, the award (or applicable portion thereof) will vest). The settlement of any such vested awards will occur as soon as reasonably practicable following the effective date of the Separation and Release Agreement and, to the extent immediate settlement is not permissible due to Section 409A of the Code, the earliest permissible date that does not result in the imposition of taxes and penalties under Section 409A of the Code consistent with the applicable award agreement and the terms of the applicable equity plan.

(ii) *Performance Vesting Awards.* Subject to the Eligible Employee's satisfying the service vesting requirement applicable to a performance vesting award after taking into account the additional service vesting credit set forth in Section 5(b)(iii) below, performance vesting awards will remain outstanding and continue to be eligible to vest based on the level of achievement of performance as determined by the

Committee in the ordinary course (at the end of the performance period or such earlier date as applies to similarly situated award holders). The number of shares earned (based on the level of achievement of the performance goals applicable to such award) will vest if such award would have vested had the Eligible Employee remained employed following the Date of Termination for the number of months set forth in the additional service vesting credit schedule set forth in Section 5(b)(iii) below (*i.e.*, if the additional service vesting credit results in the Eligible Employee being deemed to have provided service to the Company through one or more of the original vesting dates applicable to the outstanding performance award, the award (or a portion thereof) will vest based on the level of achievement of the applicable award). The settlement of any such earned and vested awards will occur consistent with the timing applicable to similar awards held by active employees (but in no event earlier than the effective date of the Separation and Release Agreement).

(iii) *Additional Service Vesting Credit Schedule.* The additional service credit vesting will be based on the Eligible Employee's Years of Service as of immediately prior to the Date of Termination as set forth below.

Additional Service Vesting Credit	
Years of Service	*Additional Service Credit for Equity*
< 5 years	0
5 – 10 years	12 months
> 10 years	24 months

Any equity incentive awards (whether time vesting or performance vesting) held by an Eligible Employee for which the application of the additional service credit vesting is insufficient and does not result in the deemed satisfaction of the time vesting requirement applicable to such award shall be forfeited as of the Date of Termination for no consideration, and any performance vesting awards that remain outstanding based on the deemed satisfaction of the service vesting requirement shall, in all events, continue to be subject to the achievement of the applicable performance goals.

(c) Non-duplication of Payments or Benefits; Coordination with the CIC Plan. Any pay in lieu of notice, severance benefits or other payments or benefits that may be required by any federal, state or local law, including the laws of any jurisdiction outside of the United States, relating to severance, plant closures, terminations, reductions-in-force, or plant relocations will proportionately reduce the Severance Payment to be made to the Eligible Employee in accordance with Section 5(a)(i). The right to benefits under the Plan will not be duplicative of the rights under the CIC Plan which will apply and govern with respect to eligible terminations thereunder, including a termination that occurs prior to a Change in Control (as defined in the CIC Plan) during the Protection Period under the CIC Plan. In no event will an Eligible Employee be entitled to benefits under both the Plan and the CIC Plan with respect to the same termination of employment.

6. Separation and Release Agreement. In order to receive benefits under Section 5 of the Plan, the Eligible Employee must execute a Separation and Release Agreement within thirty (30) days following the Date of Termination (or any later date required by applicable law as set forth in such Separation and Release Agreement) in the form provided by the Company in its sole discretion. The Separation and Release Agreement shall contain the following provisions and may contain such other provisions as the Company determines to be reasonable and appropriate:

(a) Release of Claims. A general waiver and release of claims in favor of the Company and its Affiliates and their respective officers, directors and employees, with customary exclusions with respect to (i) benefits under the Plan, (ii) rights in respect of the continuation of healthcare coverage under applicable law, (iii) rights as a stockholder of the Company, (iv) rights to indemnification under the Company's governing documents and coverage under its director and officer insurance policies, and (v) rights that cannot be waived under applicable law;

(b) Non-solicitation. Restrictive covenants that prohibit the Eligible Employee from soliciting for one (1) year following the Date of Termination (i) the employees of the Company and its Affiliates and (ii) the customers and other business relations of the Company and its Affiliates; and

(c) Other Covenants. Provisions restricting the Eligible Employee from disclosing the confidential information of the Company and its Affiliates, requiring the Eligible Employee to return the property of the Company and its Affiliates, prohibiting the Eligible Employee from disparaging the Company, its Affiliates and their respective service providers, and requiring the Eligible Employee to cooperate with the Company with respect to litigation, investigations and other matters.

7. Amendment and Termination. The Committee reserves the right to amend or terminate the Plan at any time, in whole or in part, with respect to any Eligible Employee who has not experienced a Qualifying Termination as of the effective date of such amendment or termination. Notwithstanding the foregoing, any termination of the Plan or amendment of the Plan that in any manner reduces the payments or benefits that are provided to any Eligible Employee upon a Qualifying Termination, or in any manner narrows the conditions under which a Qualifying Termination will be determined to have occurred, or in any manner reduces the protections provided to Eligible Employees, including the determination that any individual is no longer designated as an Eligible Employee, shall not be effective until at least twelve (12) months following approval by the Administrator without the written approval of the affected Eligible Employee.

8. Section 409A of the Code.

(a) General. It is intended that payments and benefits made or provided under the Plan shall comply with the requirements of Section 409A of the Code, or an exemption from or exception to Section 409A of the Code, and will be interpreted, applied and administered accordingly. Any payments that qualify for the "short-term deferral" exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under the Plan shall be treated as a separate payment of compensation for purposes of applying the exclusion under Section 409A of the Code for short-term deferral amounts, the separation pay exception or any other exception or exclusion under Section 409A of the Code. All payments to be made upon a termination of employment under the Plan may be made only upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on an Eligible Employee pursuant to Section 409A of the Code. In no event may an Eligible Employee, directly or indirectly, designate the calendar year of any payment under the Plan.

(b) Reimbursements and In-Kind Benefits. Notwithstanding anything to the contrary in the Plan, all reimbursements and in-kind benefits provided under the Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Eligible Employee’s lifetime (or during a shorter period of time specified in the Plan); (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense shall be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) Delay of Payments. Notwithstanding any other provision of the Plan to the contrary, if an Eligible Employee is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to such Eligible Employee under the Plan during the six-month period immediately following such Eligible Employee’s separation from service (as determined in accordance with Section 409A of the Code) on account of such Eligible Employee’s separation from service shall be accumulated and paid to such Eligible Employee on the first business day of the seventh month following his separation from service (the “Delayed Payment Date”), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If such Eligible Employee dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his or her estate on the first to occur of the Delayed Payment Date or thirty (30) calendar days after the date of such Eligible Employee’s death.

9. Miscellaneous.

(a) Assignment; Non-transferability. No right of the Eligible Employee to any payment or benefit under the Plan shall be subject to assignment, anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors of the Eligible Employee or of any beneficiary of the Eligible Employee. The terms and conditions of the Plan shall be binding on the successors and assigns of the Company.

(b) Withholding. The Company shall have the right to deduct from all payments hereunder all taxes that the Company determines are required by law to be withheld therefrom. Regardless of the amount withheld, the recipient of payments, benefits, or other income (including imputed income) under the Plan shall be solely responsible for all taxes owed with respect to such payments, benefits, and other income.

(c) Funding. The Company or its Subsidiaries shall pay benefits from their general assets. No specific amount shall be set aside in advance for this purpose. Eligible Employees shall be unsecured general creditors of the Company or its Subsidiaries for purposes of benefits due hereunder.

(d) No Right to Employment. Nothing contained in the Plan shall give any employee the right to be retained in the employment of the Company or a Subsidiary or shall otherwise modify the employee's at-will employment relationship with the Company or a Subsidiary. The Plan is not a contract of employment between the Company or a Subsidiary and any employee.

(e) Continued Eligibility to Participate in Company Plans. Nothing in the Plan shall prevent or limit an Eligible Employee's continuing or future participation in any plan, program, policy or practice provided by the Company or its Subsidiaries (other than any such arrangement that would provide duplicative benefits to those provided hereunder). Amounts that are vested benefits or that an Eligible Employee or his or her dependents are otherwise entitled to receive under any plan, policy, practice, program or arrangement of the Company or its Subsidiaries shall be payable in accordance with such plan, policy, practice, program, agreement or arrangement. Without limiting the generality of the foregoing, the Eligible Employee's right to benefits under the Plan shall in no way affect the Eligible Employee's right to benefits by reason of his or her "retirement" under any compensation and benefits plans, programs or arrangements of the Company or its Affiliates.

(f) Governing Law. The Plan is intended to be governed by and will be construed in accordance with ERISA and, to the extent not preempted by ERISA, the laws of the State of Delaware.

(g) Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included in the Plan.

(h) Dispute Resolution. To the fullest extent permitted by law, any and all disputes, claims, and causes of action, in law or equity, arising from or relating to the Plan (including the Separation and Release Agreement, other than with respect to the covenants therein), or any dispute arising out of or relating to the Plan (or the Separation and Release Agreement) will be settled by binding arbitration by a panel of three arbitrators in accordance with the Commercial Arbitration Rules of the American Arbitration Association, with such arbitration proceedings to be located in Los Angeles, California. The arbitrators will not be empowered to award damages in excess of compensatory damages. The cost of arbitration will be paid by the Company, and each party will pay for their respective legal fees and other expenses. Judgment may be entered on the arbitrator's award in any court having jurisdiction.

(i) No Duty to Mitigate. An Eligible Employee will not be obligated to seek other employment or take any other action by way of mitigation of the amounts or benefits payable or provided under the Plan, nor will the amounts or other benefits to be paid or provided to an Eligible

Employee pursuant to this Plan be reduced by amounts earned by the Eligible Employee from another employer.

(j) Headings. The Section headings contained herein are for convenience of reference only, and shall not be construed as defining or limiting the matter contained thereunder.

(k) Complete Statement of Plan. The Plan document contains a complete statement of the Plan's terms and supersedes all prior statements with respect to the Plan's terms. No other evidence, whether written or oral, shall be taken into account in interpreting the provisions of the Plan. In the event of a conflict between a provision in the Plan document and any booklet, brochure, presentation, or other communication (whether written or oral), the provision of the Plan document shall control.

10. Claims Procedures.

(a) Initial Claims. An Eligible Employee who believes he or she is entitled to a payment under the Plan that has not been received may submit a written claim for benefits under the Plan within sixty (60) days after the Eligible Employee's Date of Termination. Claims shall be addressed and sent to:

General Counsel
AECOM
1999 Avenue of the Stars
Los Angeles, CA 90067

If the Eligible Employee's claim is denied, in whole or in part, the Eligible Employee will be furnished with written notice of the denial within ninety (90) days after the Administrator's receipt of the Eligible Employee's written claim, unless special circumstances require an extension of time for processing the claim, in which case the decision period may be extended by up to an additional ninety (90) days. If such an extension of time is necessary, written notice of the extension will be furnished to the Eligible Employee before the termination of the initial ninety (90)-day period and will describe the circumstances requiring the extension and the date by which a decision is expected to be rendered. Written notice of the denial of the Eligible Employee's claim will contain the following information:

(i) the reason or reasons for the denial of the Eligible Employee's claim;

(ii) references to the Plan provisions on which the denial of the Eligible Employee's claim was based;

(iii) a description of any additional information or material required by the Administrator to reconsider the Eligible Employee's claim (to the extent applicable) and an explanation of why such material or information is necessary; and

(iv) a description of the Plan's review procedures and time limits applicable to such procedures, including a statement of the Eligible Employee's right to bring a civil action under Section 502(a) of ERISA following a benefit claim denial on review.

(b) Appeal of Denied Claims. If the Eligible Employee's claim is denied, the Eligible Employee (or his or her authorized representative) may file a request for review of the claim in writing with the Administrator. This request for review must be filed no later than sixty (60) days after the Eligible Employee has received written notification of the denial.

(i) Such request for review may include any comments, documents, records and other information relating to his or her claim for benefits.

(ii) The Eligible Employee has the right to be provided with, upon request and free of charge, reasonable access to and copies of all pertinent documents, records and other information that is relevant to his or her claim for benefits.

(iii) The review of the denied claim will take into account all comments, documents, records and other information that the Eligible Employee submitted relating to his or her claim, without regard to whether such information was submitted or considered in the initial denial of his or her claim.

(c) Administrator's Response to Appeal. The Administrator will notify the Eligible Employee of its decision within sixty (60) days after the Administrator's receipt of the Eligible Employee's written claim for review; *provided* that the Administrator may extend the review period by up to sixty (60) additional days, if the Administrator notifies the Eligible Employee in writing of the need for an extension (and the reason therefor) before the end of the initial sixty (60)-day period. If the Administrator makes an adverse decision on appeal, the Administrator shall communicate its decision in a writing that includes:

(i) the reason or reasons for the denial of the Eligible Employee's appeal;

(ii) reference to the Plan provisions on which the denial of the Eligible Employee's appeal is based;

(iii) a statement that the Eligible Employee is entitled to receive, upon request and free of charge, reasonable access to, and copies of, the Plan and all documents, records and other information relevant to his or her claim for benefits; and

(iv) a statement describing the Eligible Employee's right to bring an action under Section 502(a) of ERISA.

(d) Exhaustion of Administrative Remedies. The exhaustion of these claims procedures is mandatory for resolving every claim and dispute arising under the Plan. As to such claims and disputes:

(i) no claimant shall be permitted to commence any arbitration or legal action to recover benefits or to enforce or clarify rights under the Plan or under any provision of law until these claims procedures have been exhausted in their entirety;

(ii) failure to submit a claim, appeal, or any required information by the applicable deadline under these claims procedures shall result in forfeiture of the benefits being claimed;

(iii) in any arbitration or legal action, all explicit and implicit determinations by the Administrator (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law; and

(iv) no legal action or arbitration may be commenced by the Eligible Employee later than one hundred eighty (180) days subsequent to the date of the written response of the Administrator to an Eligible Employee's request for review pursuant to Section 10(c).

Exhibit A

Eligible Employees as of June 16, 2020

Named executive officers and other officers as designed by the Compensation and Organization Committee of the Board of Directors

EXHIBIT 31.1

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, Michael S. Burke, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 5, 2020

/S/ MICHAEL S. BURKE
Michael S. Burke
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

Certification Pursuant to
Rule 13a-14(a)/15d-14(a)

I, W. Troy Rudd, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AECOM;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 5, 2020

/S/ W. TROY RUDD
W. Troy Rudd
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification Pursuant to
18 U.S.C. Section 1350

In connection with the Quarterly Report of AECOM (the “Company”) on Form 10-Q for the quarterly period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Michael S. Burke, Chief Executive Officer of the Company, and W. Troy Rudd, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ MICHAEL S. BURKE
Michael S. Burke
Chairman and Chief Executive Officer
August 5, 2020

/S/ W. TROY RUDD
W. Troy Rudd
Executive Vice President and Chief Financial Officer
August 5, 2020

EXHIBIT 95

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the Mine Act) by the federal Mine Safety and Health Administration (MSHA). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction of such mine.

The following table provides information for the three months ended June 30, 2020.

Mine (1)	Mine Act §104 Violations (2)	Mine Act §104(b) Orders (3)	Mine Act §104(d) Citations and Orders (4)	Mine Act §110(b)(2) Violations (5)	Mine Act §107(a) Orders (6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no) (7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no) (8)
Black Thunder Project	0	0	0	0	0	$ 0.00	0	No	No
Bayer Quartzite Quarry	0	0	0	0	0	$ 0.00	0	No	No

(1) United States mines.
(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.
(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.
(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.
(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.
(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.
(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.
(8) The following Pending Legal Action Table provides information for the three months ended June 30, 2020.

Mine	Number Pending Legal Actions	Contests of Penalty Assessments	Legal Action Initiated	Legal Action Resolved
Black Thunder Project	0	0	0	0
Bayer Quartzite Quarry	0	0	0	0