# AECOM
# 2019 Investor Day

HONG KONG-ZHUHAI-MACAO BRIDGE
**Hong Kong**
The world's longest sea bridge that connects major cities in the Greater Bay Area and creates the world's largest megacity, which officially opened in October 2018.

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# Disclosures

## Safe Harbor

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

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

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

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

## Non-GAAP Measures

This presentation contains financial information calculated other than in accordance with U.S. generally accepted accounting principles ("GAAP"). In particular, the company believes that non-GAAP financial measures such as adjusted EPS, adjusted EBITDA, adjusted operating income, organic revenue, and free cash flow provide a meaningful perspective on its business results as the company utilizes this information to evaluate and manage the business. We use adjusted EBITDA, EPS and operating income to exclude the impact of prior acquisitions and dispositions. We use free cash flow to represent the cash generated after capital expenditures to maintain our business. Our non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of these non-GAAP measures to the most directly comparable GAAP financial measures is found in the attached appendix and in our earnings release on the Investors section of our Web site at: http://investors.aecom.com.

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



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# Today's Agenda

| Speaker | Subject |
| --- | --- |
| Mike Burke<br>*Chairman & Chief Executive Officer* | – Introductions and Safe Harbor Statement<br>– Business and End Market Overview<br>– Value Creation Update |
| Randy Wotring<br>*Chief Operating Officer* | – Operational Excellence<br>– Capitalizing on Strong Businesses and Markets |
| Troy Rudd<br>*Chief Financial Officer* | – Financial Update<br>– Backlog and Margin Discussion<br>– Cash Flow and Capital Allocation Priorities |
| Mike Burke<br>*Chairman & Chief Executive Officer* | – Review of Key Messages and Closing Comments |
| All | – Q&A |



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# Michael S. Burke

***Chairman***
***Chief Executive Officer***

WORLD TRADE CENTER TRANSPORTATION HUB
**United States**
Selected by the Port Authority of New York and New Jersey, AECOM teams, in association with its joint venture partners, designed and constructed the new PATH terminal at the WTC site in Lower Manhattan.

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# Key Messages from Today

1. *We are reiterating our FY'18-FY'22 financial targets driven by a 5%+ organic revenue[1] CAGR, a 9%+ adjusted EBITDA[2] CAGR, a 12-15% adjusted EPS[2] CAGR, and at least $3.5 billion of cumulative free cash flow[3]*

2. *In FY'18, we had many successes, including new records for wins, backlog and revenue growth, and a new quarterly record for free cash flow in Q4'18; in addition, we had more than $7 billion of wins in October*

3. *We are executing a plan to substantially improve our profitability, including $225 million of G&A reductions, which increases the value of our record $54 billion backlog*

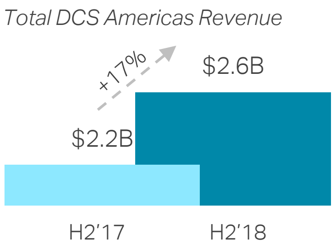
4. *We believe our actions to de-risk the business and prioritize investments to our fastest growing markets where our competitive advantages are greatest will lead to margin expansion and value creation*

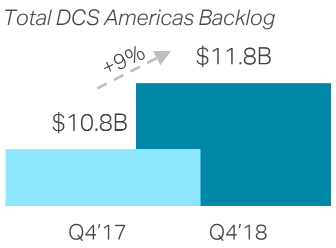
5. *We are committed to our capital allocation policy, as evidenced by $223 million of debt reduction and a $150 million accelerated share repurchase (ASR) in FY'18, as well as additional repurchases in Q1'19 under our $1 billion authorization*

# Our Investments in Growth are Delivering Results

## Pivoted to Growth in Our Americas Design Business

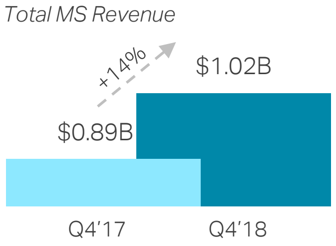
- Delivered 17% revenue growth in H2 FY'18; solid underlying performance and continued storm recovery benefit
- 9% backlog growth and strong market tailwinds

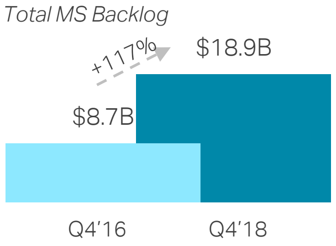



## Invested to Drive Long-Term Growth in Management Services

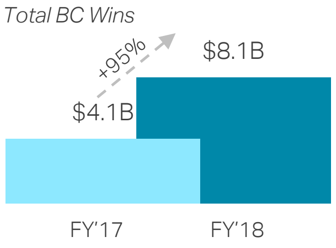
- Nearly 120% backlog growth since the beginning of FY'17
- Accelerating revenue growth in H2 FY'18
- Pursuing higher-margin opportunities

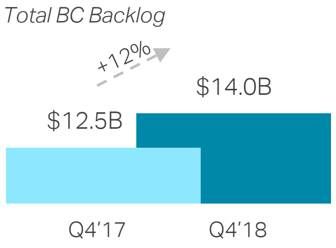



## Built a Strong Foundation for Growth in Building Construction

- FY'18 wins nearly doubled FY'17 total
- Expect strong wins in Q1, including ~$7 billion of wins in October
- Current backlog provides nearly 4 years of revenue visibility




## AECOM Capital Successes

- Closed on a new real estate investment joint venture with Canyon Partners in Q4 FY'18
- Attractive portfolio of properties with substantial expected embedded gains

AECOM + CANYON PARTNERS, LLC

# Poised to Benefit from Attractive Market Opportunities

*Capitalizing on Favorable Market Trends*

## Substantial Funding Initiatives in Core Americas Markets:

**$200B** — ***Record transportation-specific ballot initiatives*** *passed in Nov. 2016*

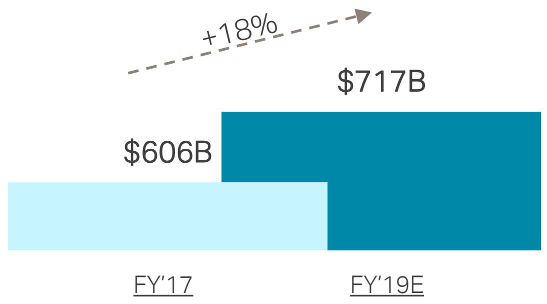
**$30B** — ***Transportation ballot measures*** *that passed in Nov. 2018 mid-terms*

**$200B** — ***Disaster recovery and resilience opportunities*** *following the hurricanes in the Southeast U.S.*

**AECOM'S ADVANTAGE**

*Leading Public-Sector Infrastructure Capabilities*

## Strong Outlook for Increased U.S. Federal Spending:



*Total U.S. Defense Spending*

**$30B** — *Total Qualified Pipeline of Opportunities*

**$30B+** — *Total Value of DOE Opportunities Over Next 4 Years; of which ~$8B is in Qualified Pipeline*

**AECOM'S ADVANTAGE**

*DOD and DOE Account for ~75% of MS Segment Revenue*

- ✓ 17% growth in our Americas design business in H2 FY'18, led by our larger transportation and water markets
- ✓ Delivered accelerating growth in Management Services in H2 FY'18
- ✓ Strong wins in Q1 FY'19 add to visibility; expect to post another record quarterly backlog



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# Strategic Actions to Enhance Profitability and Hone Our Focus

## 1 Executing a $225 Million G&A Reduction Plan

- Seizing on the opportunity to reduce G&A following our investments in IT, HR systems, project management tools, and shared services and design centers to improve the profitability of the business; majority of actions already taken
- G&A reductions will primarily benefit the DCS segment, where the adjusted operating margin[2] is expected to exceed 7% in FY'19, with further benefit expected in FY'20 and beyond

## 2 De-Risking Our Portfolio

- Honing our focus on lower-risk and higher-margin opportunities
- Identified root causes of isolated FY'18 execution challenges and implemented changes; importantly, recent more than $7 billion of wins in October position us for strong performance

## 3 Exiting Countries with Less Favorable Risk Profiles and Return Opportunities

- Ongoing review of our geographic exposure, including the execution of a plan to exit more than 30 countries to improve return on investment and management's return on time
- Reprioritizing investments to markets with the strongest growth prospects and where our competitive advantages are greatest

**Maximizing The Profitability Of Our Record Backlog**



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# Capital Allocation Policy to Maximize Stockholder Value

*$3.5+ Billion of Free Cash Flow[3] Creates Substantial Value Creation Opportunity*
*(FY'18 – FY'22 Forecast)*

*Optimizing Our Capital Structure*

Continued Debt Reduction and EBITDA Growth to Achieve Our 2.5x Net Leverage[4] Target

*Executing Substantial Stock Repurchase Program*

Execute Stock Repurchases Under $1 Billion Board Authorization

*Maximizing Stockholder Value*

Long-term Focus on Capital Returns to Maximize Stockholder Value

- Executed a $150 million ASR in Q4 FY'18, and executed open market purchases in Q1 FY'19
- Exited FY'18 with 2.8x net leverage[4] (2.6x excluding share repurchases) and expect to achieve 2.5x in FY'19
- Continue to target returning substantially all free cash flow[3] to shareholders under the existing $1 billion repurchase authorization



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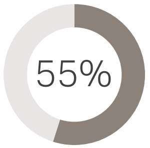
# Randall A. Wotring

***Chief Operating Officer***

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

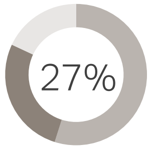
# Higher-Margin and Lower-Risk Professional Services Drive Strong Cash Flow and Visibility

*% of FY'18 Segment Adj. Operating Income[2]*



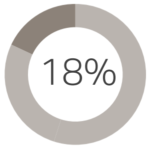

## DESIGN & CONSULTING SERVICES

- **Consistently ranked #1 by *ENR* in several key end markets**, including transportation and facilities
- Primarily public sector client base provides **highly predictable cash flow and reduced cyclicality**
- **High ROIC and lower-risk business** delivering value-added professional services to clients
- **Visible demand drivers and backlog growth** create significant momentum




## MANAGEMENT SERVICES

- **Top 20 government services provider[5]** with substantial scale, including ~60% of employees with security clearance, providing significant competitive advantages
- **High ROIC and lower-risk business** with a portfolio of long-duration projects that are mainly cost-plus
- U.S. and foreign government client base provides **predictably strong cash flow profile**
- **Record levels of funding**, industry consolidation and a return to best-value procurement create attractive market dynamics




## CONSTRUCTION SERVICES

- **Premier Building Construction** business with leading market share in the Northeast and LA metro markets and a high ROIC, including virtually no capital deployed
  - Leading portfolio of iconic projects, including approximately 60% of all 1,000+ ft. tall towers in New York over the past decade
- Margins in BC excluding pass-through revenue range from 15%-20%, reflecting **professional services nature of work**
- Focused on **de-risking the CS business** to maximize value and capitalize on our record backlog

# Substantial Cost Reduction Effort to Drive Profitability

- We have made investments that allow us to operate more efficiently (e.g., IT systems, HR systems, PM tools, best-cost shared services and design centers)
- Restructuring includes a consolidation of DCS regions and reductions in corporate G&A
  - Consolidating 9 regions into 5 regions to enhance efficiencies
  - Aligning our EMEA business to market conditions
  - Expect 110+ bps margin benefit in DCS in FY'19 with additional savings expected in FY'20-FY'21
  - Continued investments in growth
- Substantial majority of key items have already been actioned
- Because of these actions, we expect year-over-year adjusted EBITDA[2] growth of 12% at the mid-point of guidance

## Restructuring Presents Attractive Payback:

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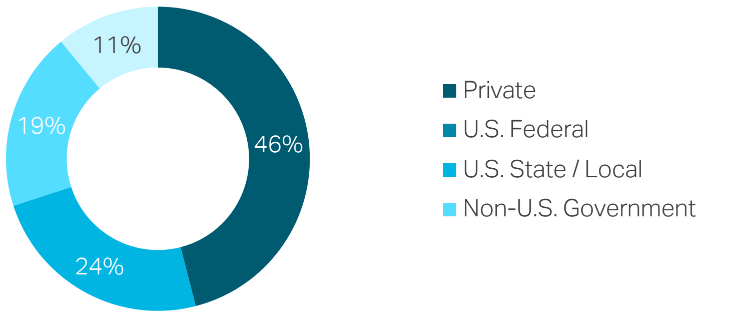
# Addressing Execution Challenges

- Despite success on the vast majority of our 50K+ projects, underperformance on a handful of projects in the CS segment negatively impacted FY'18 performance
- We have fully evaluated the root causes of these issues, and have implemented changes to our risk management processes including:
  - Changed CS leadership
  - Enhanced list of factors used to assess riskiness of a project
  - Increased supervision on our riskier projects
  - Conducting healthy start reviews and ongoing project auditing and independent technical reviews on riskier projects
- Fixed-price exposure includes CCGT work, a market from which we are exiting, and Civil Construction exposure with very favorable market conditions and pricing

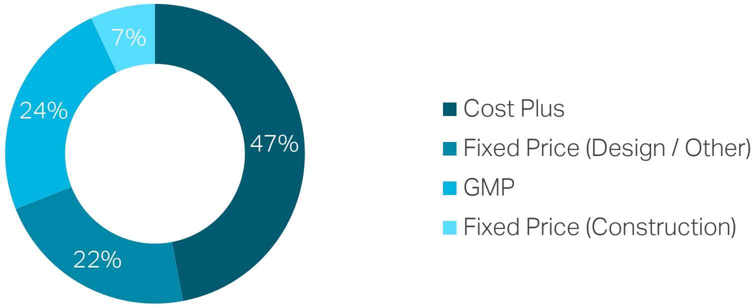
*AECOM Differentiators*

Diversified Funding Sources




*% of FY'18 Revenues*

Lower-Risk Contracting Mix




*% of FY'18 Revenues*



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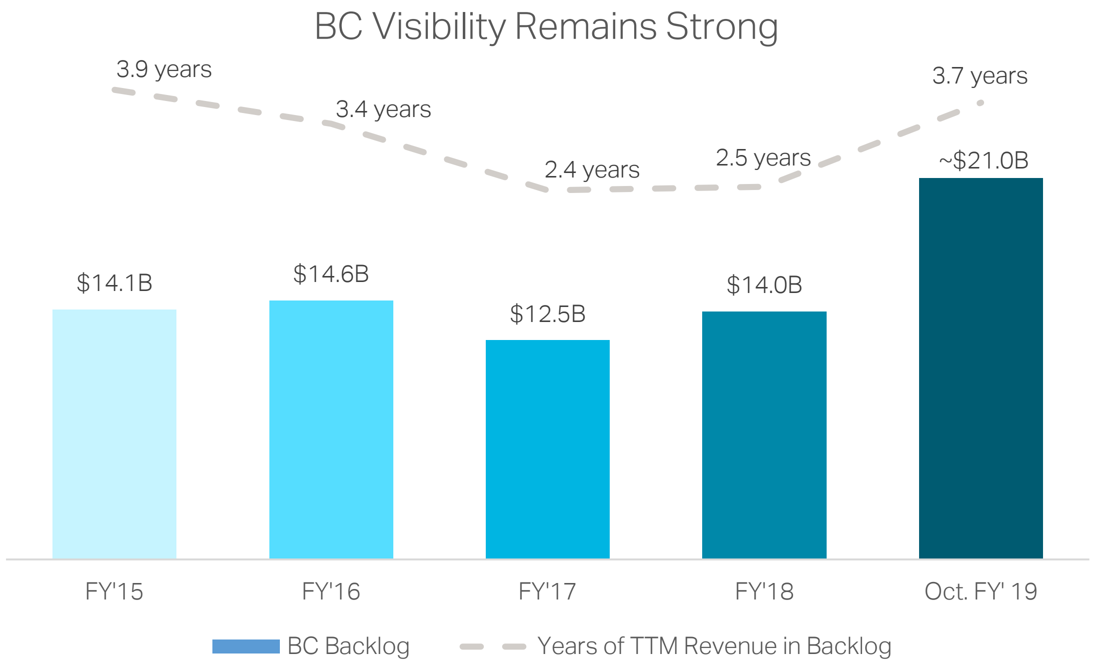
# Maximizing the Strength of Our Building Construction Capabilities

- The Building Construction business produces the highest ROIC at AECOM, with very favorable working capital requirements
- We will continue to leverage our strong BC franchise, which holds substantial competitive advantages, to pursue a strong pipeline of opportunities
- Aviation is emerging as a substantial growth market
  - Awarded projects valued at nearly $8 billion over the past year
  - Positioned for ongoing robust set of opportunities
- Following four years of double-digit revenue growth in Building Construction, we remain confident in continued growth in FY'19 and beyond
  - Already selected for construction of $7 billion JFK Terminal 1 project in New York in Q1 FY'19

- Expect a fifth consecutive year of growth in our BC business in FY'19
- Primarily lower-risk GMP contracting model
- Excluding pass-throughs, adjusted operating margins of ~15% - 20% reflect professional services scope



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# W. Troy Rudd

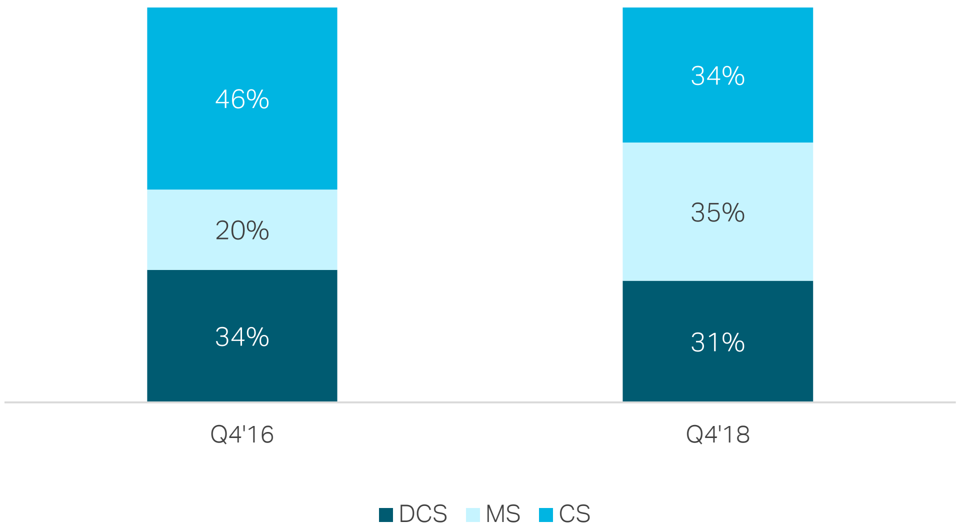
*Chief Financial Officer*

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

# We Have Built a Highly Profitable Backlog

## Our Backlog Has Grown Substantially, Including a Favorable Mix Shift to Higher-Margin Segments:

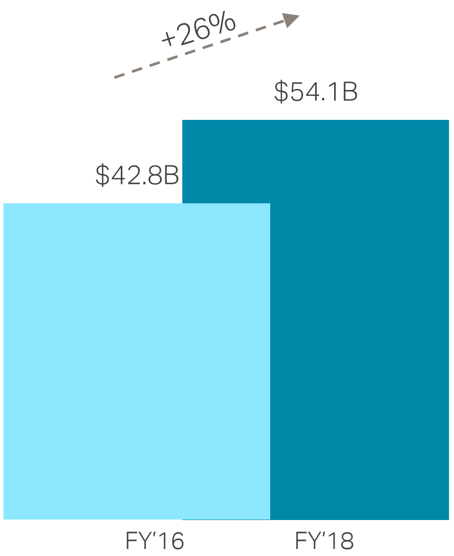
*Composition of Total Backlog by Segment*



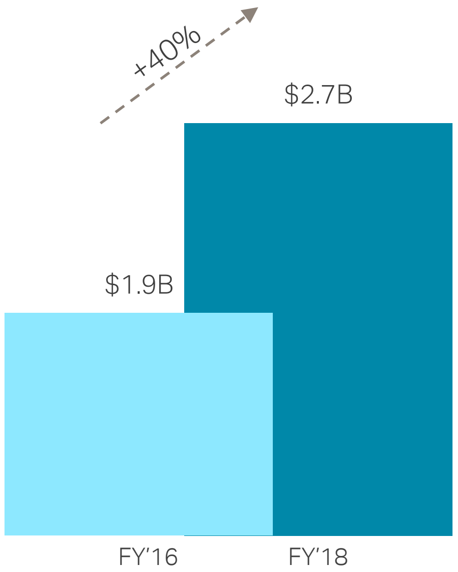

Since FY'16, our backlog has increased by 26% and has included 117% and 16% growth in our higher-margin MS and DCS segments

## As a Result, the Profitability of Our Backlog Has Increased at a Faster Rate:

*Total Backlog*




*Estimated Adjusted Profit in Backlog[6]*




As backlog has shifted to the higher-margin DCS and MS segments, our profitability in backlog has increased at a rate faster than total backlog growth



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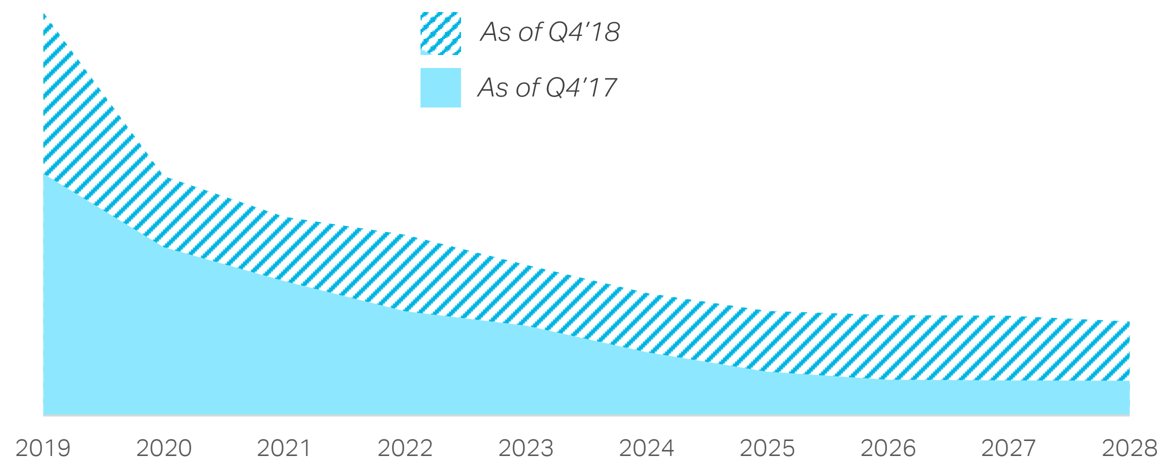
# CS and MS Backlog Provide Strong Visibility

## Management Services

- Large wins have resulted in ~120% backlog growth since the beginning of FY'17; pursuing a robust pipeline of opportunities
- Our backlog provides substantial visibility through the next decade with a very attractive risk profile
- Continue to expect FY'19 revenue to approximate 20% of Q4'18 backlog

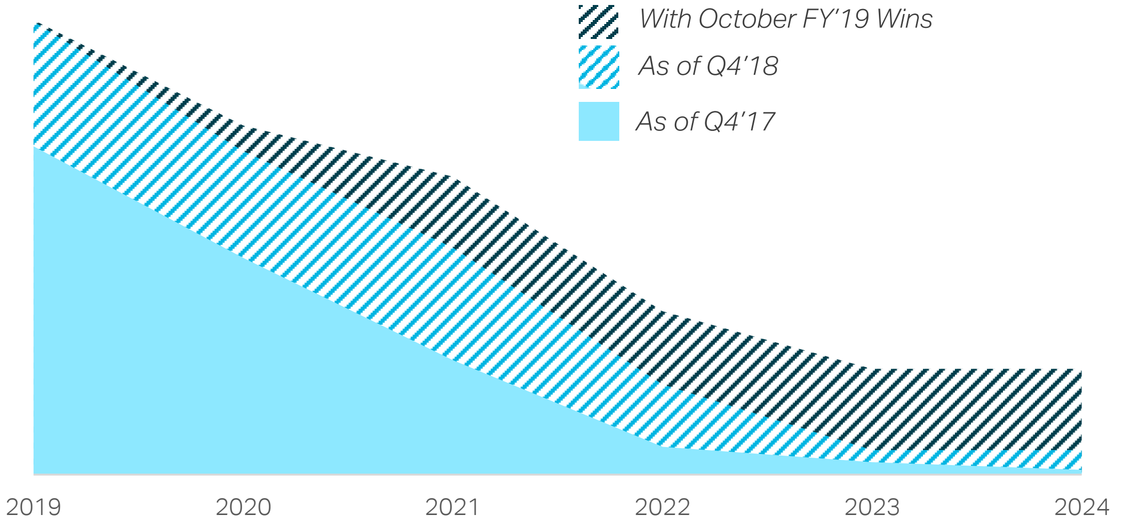
*MS Revenue in Backlog by Year of Expected Recognition[7]*




## Construction Services

- ~80% of annual revenue in the Building Construction business typically comes from backlog at the start of the year, which provides strong visibility
- Recent large wins add to our confidence for growth in Building Construction; CS revenue faces headwinds from CCGT Power and non-core O&G business exits

*Building Construction Revenue in Backlog by Year of Expected Recognition[7]*



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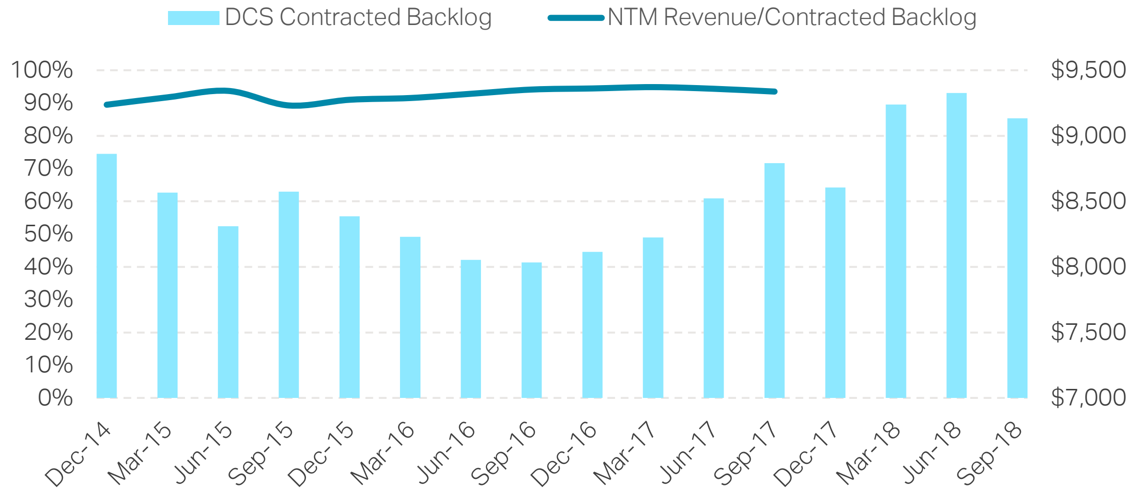
# DCS Backlog Supports Continued Growth and Margin Improvement

## Current Backlog Supports Continued Growth

- Contracted backlog demonstrates a strong relationship with next 12-month (NTM) revenue performance
- Historically, NTM revenue typically represents ~90% – 95% contracted backlog in the preceding quarter
- FY'19 expected growth based on continuation of this relationship

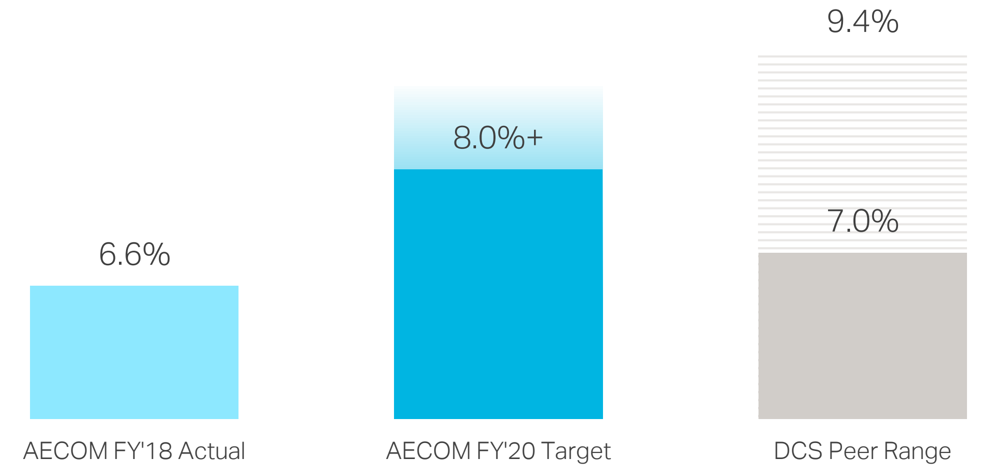
### DCS NTM Revenue / Contracted Backlog:




## Our Future State Reflects Substantial Improvement

- As we execute our growth and operating efficiency plans, we expect margins to exceed the median of design peers
- 8%+ adjusted EBITDA[2] margins translate to ~7.5%+ adjusted operating income margins for FY'20, reflecting further improvement compared to FY'19 guidance of 7%+

### AECOM FY'20 Target Adj. EBITDA[2] Margin vs. Peers



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# Margin Improvement in DCS

## Substantial DCS Margin Improvement

| | Revenue | Adj. Op. Income[2] | *Margin* | Adj. EBITDA[2] | *Margin* |
|---|---|---|---|---|---|
| FY'18 | $8.2B | $483M | *5.9%* | $540M | *6.6%* |
| FY'19E | ~$8.5B | ~$595M+ | *~7.0%+* | ~$640M | *~7.5%+* |
| FY'20E | - | - | *~7.5%+* | - | *~8.0%+* |

## Backlog Underscores Profit Growth Opportunity

$16.7B

*Total DCS Backlog (as of Q4 FY'18)*

*Profit Sensitivity Across Various Adj. Operating Margin[2] Scenarios*

| | |
|---|---|
| 6.0% | $1,000M |
| 7.0% | $1,166M |
| 8.0% | $1,332M |

- We are executing a plan to capitalize on a strong backlog and favorable end-market trends to drive DCS margin improvement
- Key drivers of continued margin improvement include expected revenue growth and the benefit of incremental annual cost savings benefits from our restructuring actions to be realized in FY'20 and FY'21
  - Increased use of best-cost global design and shared services centers presents upside opportunities for further margin improvement
  - Continued prioritization of investments and country exits to allow for more efficient execution and higher returns on capital
- This is expected to result in margins that are above the average of our design peers



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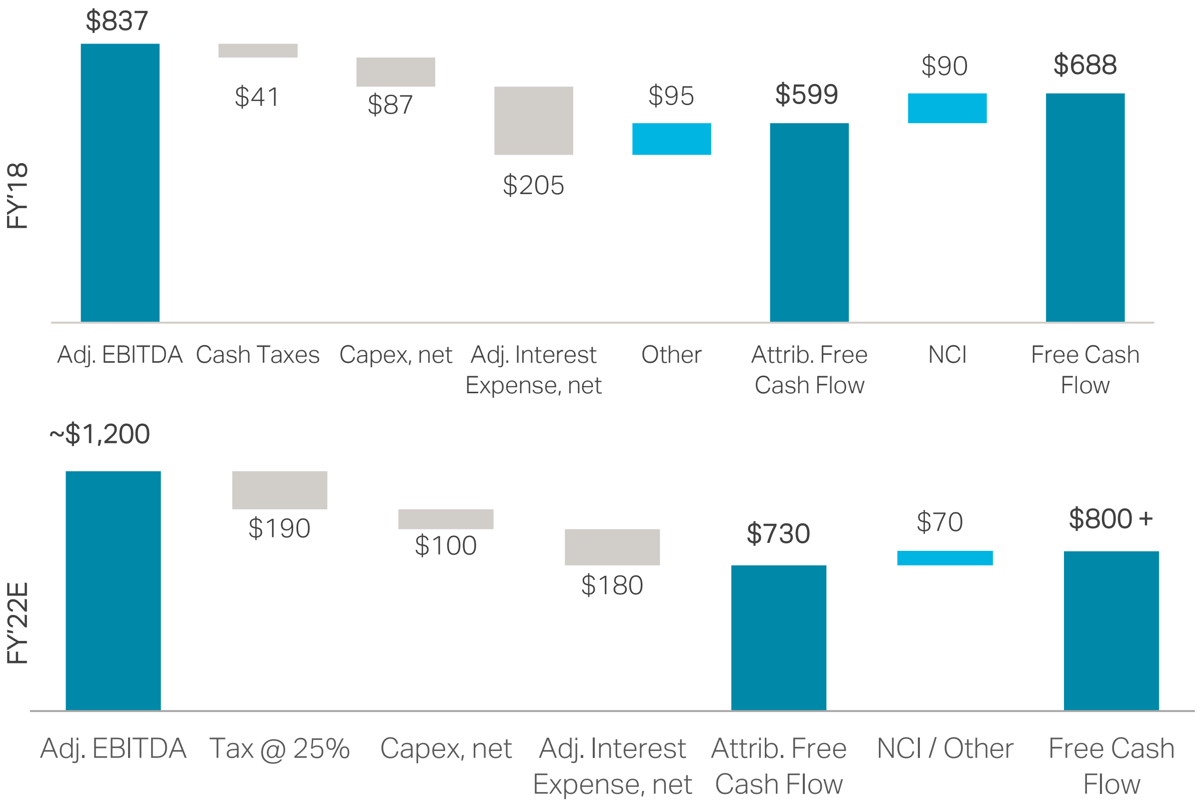
# Reiterating Our Long-Term Financial Targets


- Maintaining our focus on achieving the targets we set in our FY'18-FY'22 financial plan
- Expected double-digit adjusted EBITDA[2] growth in FY'19 and record backlog keep us on track with our long-term financial targets, with a 9%+ EBITDA CAGR from FY'18-FY'22
- Targeting at least $1 billion of EBITDA in FY'20 as we more fully benefit from strategic actions and continued growth

# Continued Industry-Leading Cash Performance

## STRONG CASH FLOW CREATES SUBSTANTIAL VALUE OPPORTUNITIES

### STRONG CASH FLOW CONVERSION




- Expect to generate at least $3.5 billion of free cash flow[3] cumulatively from FY'18 to FY'22, including nearly $700 million in FY'18
- With ~$1.2 billion of EBITDA targeted in FY'22, we expect free cash flow of at least $800 million
- Key Assumptions:
  - EBITDA conversion to free cash flow declines modestly by FY'22, due mainly to anticipated higher cash taxes
  - Executing mandatory debt payments and ongoing stock repurchases with substantially all available free cash flow
  - Expect capex to remain at ~$100 million per year, reflecting our low capex intensity



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# Substantial Value Creation Opportunity

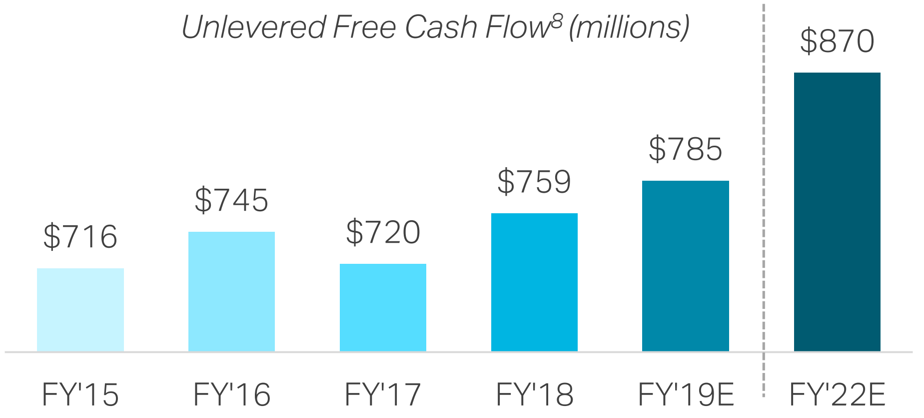
## WE BELIEVE OUR STOCK REPRESENTS AN ATTRACTIVE VALUE

- AECOM's current unlevered free cash flow yield is ~9%, a substantial discount to peers
- Evaluating a range of unlevered free cash flow outcomes and applying current peer multiples suggests AECOM shares represent attractive value
- This creates a substantial opportunity to prioritize share repurchases to create value
- As a result, we remain committed to repurchasing our shares

### ILLUSTRATIVE VALUE CREATION OPPORTUNITY

*Unlevered Free Cash Flow[8] (millions)*

| EV FCF Yield | $650 | $700 | $750 | $800 | $850 |
|---|---|---|---|---|---|
| 5.0% | $64 | $70 | $76 | $82 | $88 |
| 6.0% | $50 | $55 | $60 | $66 | $71 |
| 7.0% | $40 | $45 | $49 | $54 | $58 |
| 8.0% | $33 | $37 | $41 | $45 | $49 |
| 9.0% | $28 | $31 | $35 | $38 | $41 |



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# Michael S. Burke

***Chairman***

***Chief Executive Officer***

WORLD TRADE CENTER TRANSPORTATION HUB
**United States**
Selected by the Port Authority of New York and New Jersey, AECOM teams, in association with its joint venture partners, designed and constructed the new PATH terminal at the WTC site in Lower Manhattan.

# Well Positioned for the Future

## POISED TO DRIVE SUBSTANTIAL VALUE FOR OUR INVESTORS

1. *We are reiterating our FY'18-FY'22 financial targets driven by a 5%+ organic revenue[1] CAGR, a 9%+ adjusted EBITDA[2] CAGR, a 12-15% adjusted EPS[2] CAGR, and at least $3.5 billion of cumulative free cash flow[3]*

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4. *We believe our actions to de-risk the business and prioritize investments to our fastest growing markets where our competitive advantages are greatest will lead to margin expansion and value creation*

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# Appendix

2016 RIO OLYMPIC AND PARALYMPIC GAMES
**Brazil**
The global stage for the Games, the masterplan design makes virtue of dramatic, 120 hectare setting. Unprecedented role given scale, complexity and continuity of work.

# Footnotes

[1] Organic growth is at constant currency and excludes revenue associated with acquisitions and business dispositions.

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

[3] Free cash flow is defined as cash flow from operations less capital expenditures net of proceeds from disposals, and is a non-GAAP measure.

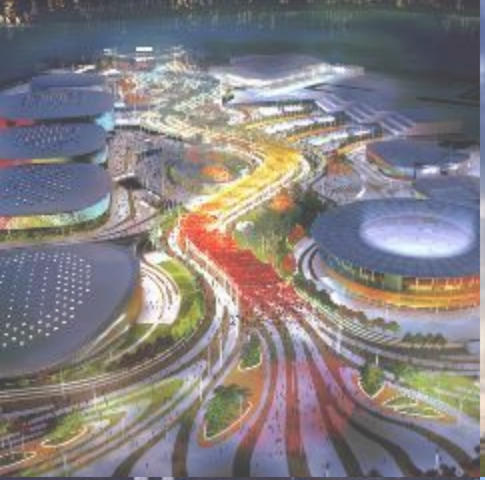
[4] Net debt-to-EBITDA is comprised of EBITDA as defined in the Company's credit agreement, which excludes stock-based compensation, and net debt as defined as total debt on the Company's financial statements, net of cash and cash equivalents.

[5] As ranked by Bloomberg *BGOV.*

[6] Profit in backlog is an estimate and is calculated by applying segment adjusted operating income margin guidance in respective periods to each segment's backlog.

[7] Includes proportionate share of unconsolidated joint ventures to provide visibility into future earnings potential.

[8] Unlevered FCF is derived by adding back after-tax adjusted interest expense at a 25% tax rate and is after distributions to non-controlling interests.







# DBFO: Design. Build. Finance. Operate.

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

7 continents

87K employees

150+ countries

#164 Fortune 500

$20B revenue (FY'18)

$54B backlog

$5B market cap

NYSE:ACM ticker

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

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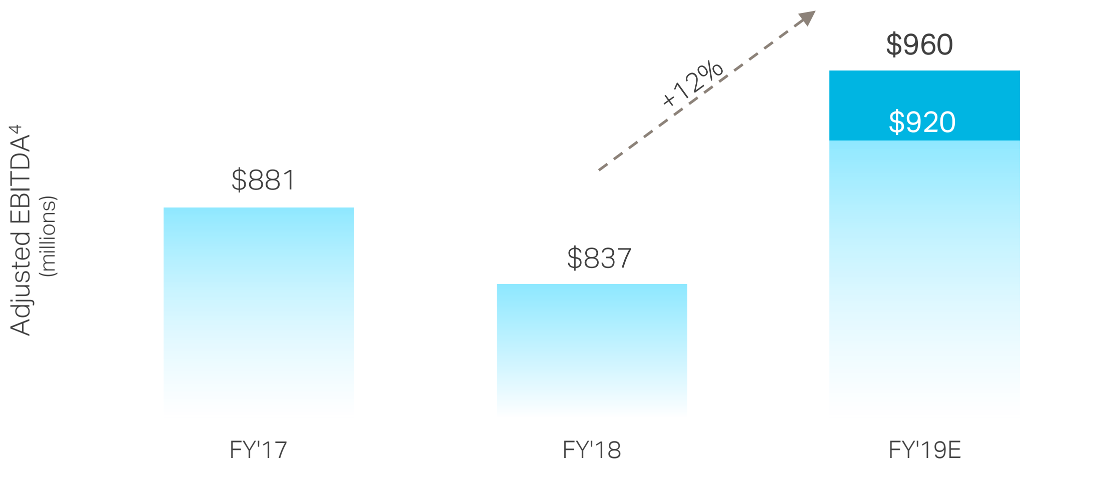
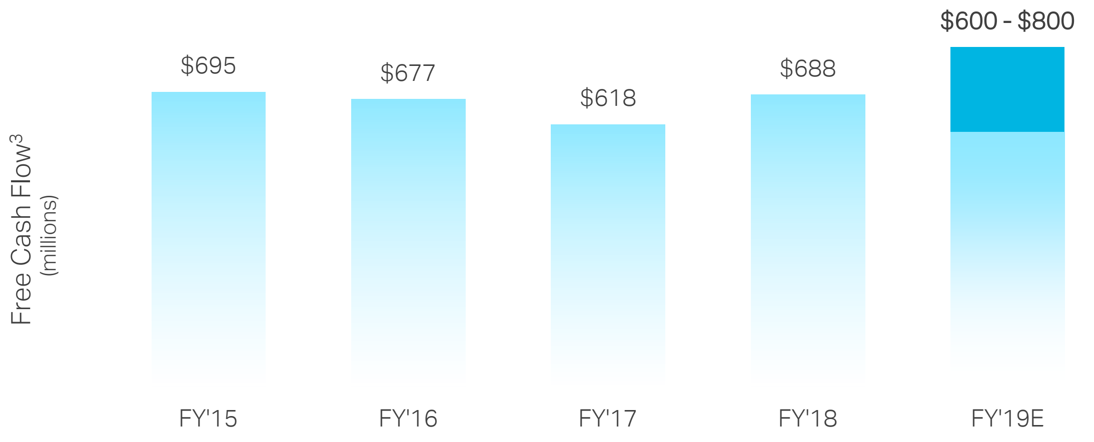
# Fiscal 2019 Outlook

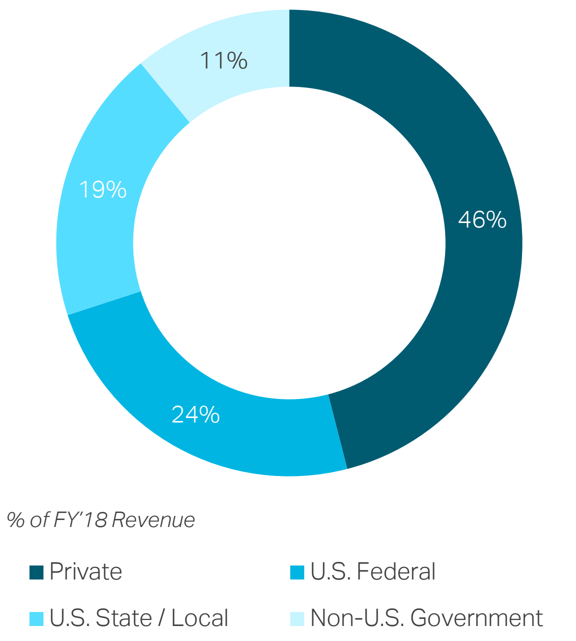


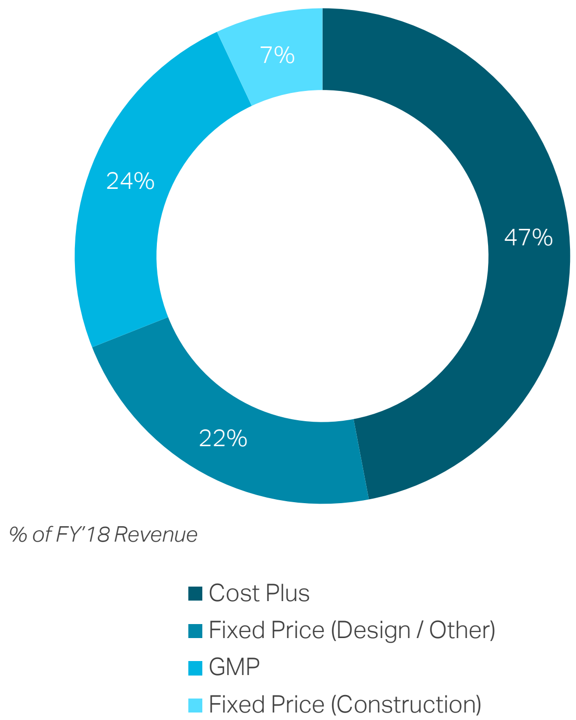

- Accomplishments in FY’18 provide confidence in our FY’19 guidance
- Guidance includes adjusted EBITDA[4] growth of 12% and adjusted EPS[4] growth of 24%, after normalizing for tax
- Reflects strong underlying foundation for growth and rapid payback on G&A reduction initiatives
- Expect FY’19 free cash flow[3] in the $600 to $800 million range; at least $3.5 billion cumulatively between FY’18 - FY’22

# Diversified by Geography, Funding Source and Contract Type

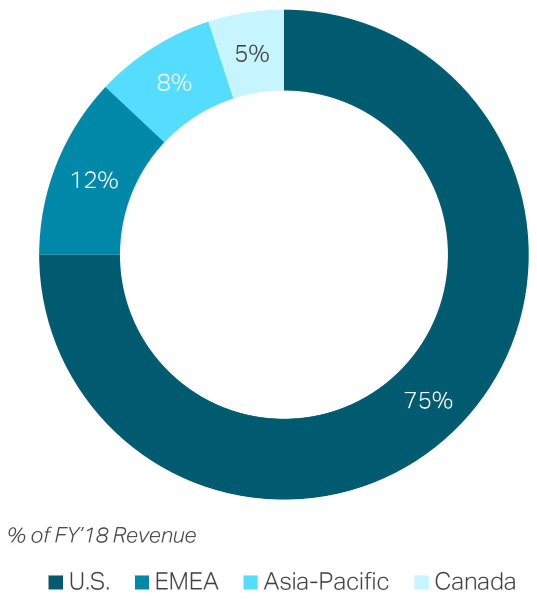
## Funding Source




## Contract Type




## Geography



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# Regulation G Information: Reconciliation for Non-GAAP Measures

**FY19 GAAP Net Income Guidance based on Adjusted EBITDA Guidance**

| (in millions, all figures approximate) | Fiscal Year End 2019 |
|---|---|
| GAAP Net Income Attributable to AECOM Guidance* | $277 to $332 |
| Adjusted Net Income Attributable to AECOM Excludes: | |
| Amortization of intangible assets, net of NCI | $88 |
| Acquisition and integration related items | ($15) |
| FY19 restructuring | $80 to $90 |
| Financing charges in interest expense | $10 |
| Tax effect of the above items** | ($45) |
| Tax expense associated with U.S. tax reform | $15 |
| Adjusted Net Income Attributable to AECOM | $442 |
| Adjusted EBITDA Excludes: | |
| Interest Expense | $204 |
| Interest Income | ($4) |
| Depreciation | $150 |
| Taxes | $148 |
| Adjusted EBITDA Guidance | $920 to $960 |

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

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

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

**Reconciliation for Adjusted EBITDA**

| | Fiscal Years Ended Sept 30, | | | | |
|---|---|---|---|---|---|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Net income (loss) attributable to AECOM | $ 229.9 | $ (154.8) | $ 96.1 | $ 339.4 | $ 136.5 |
| Income tax expense (benefit) | 82.0 | (80.2) | (37.9) | 7.7 | (19 6) |
| Income (loss) attributable to AECOM before income taxes | 311.9 | (235.0) | 58.2 | 347.1 | 116.9 |
| Depreciation and amortization expense[1] | 95.4 | 607.0 | 414.5 | 280.0 | 281.0 |
| Interest income[2] | (2.2) | (4.8) | (4.3) | (5.5) | (9.6) |
| Interest expense[3] | 38.5 | 282.5 | 225.8 | 212.4 | 249.4 |
| EBITDA | $ 443.6 | $ 649.7 | $ 694.2 | $ 834.0 | $ 637.7 |
| Non-core operating losses | - | - | 36.9 | 9.4 | 57.4 |
| Impairment of assets held for sale, including goodwill | - | - | - | - | 168.2 |
| Acquisition and integration related items | 27.3 | 398.4 | 213.6 | 38.7 | (10.9) |
| Loss (gain) on disposal activities | - | - | 42.6 | (0.6) | 2.9 |
| FX gain from forward currency contract | - | - | - | - | (9.1) |
| Depreciation expense included in non-core operating losses and acquisition and integration items above | - | (20.9) | (28.8) | (0.8) | (9.7) |
| Adjusted EBITDA | $ 470.9 | $ 1,027.2 | $ 958.5 | $ 880.7 | $ 836.5 |

[1] Includes the amount for noncontrolling interests in consolidated subsidiaries [2] Included in other income [3] Excludes related amortization

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

| | Three Months Ended | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dec 31, 2016 | Mar 31, 2017 | Jun 30, 2017 | Sep 30, 2017 | Dec 31, 2017 | Mar 31, 2018 | Jun 30, 2018 | Sep 30, 2018 |
| Net cash provided by (used in) operating activities | $ 77.5 | $ (46.1) | $ 413.9 | $ 251.4 | $ 52.4 | $ 118.4 | $ 71.9 | $ 531.9 |
| Capital expenditures, net | (21.0) | (17.7) | (19.8) | (20.0) | (18.5) | (23.7) | (23.5) | (21.2) |
| Free cash flow | $ 56.5 | $ (63.8) | $ 394.1 | $ 231.4 | $ 33.9 | $ 94.7 | $ 48.4 | $ 510.7 |

| | Fiscal Years Ended Sep 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Net cash provided by operating activities | $ 433.4 | $ 408.6 | $ 360.6 | $ 764.4 | $ 814.2 | $ 696.7 | $ 774.6 |
| Capital expenditures, net | (62.9) | (52.1) | (62.8) | (69.4) | (136.8) | (78.5) | (86.9) |
| Free cash flow | $ 370.5 | $ 356.5 | $ 297.8 | $ 695.0 | $ 677.4 | $ 618.2 | $ 687.7 |



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