

18-Nov-2025

AECOM (ACM)

Investor Day - Q4 2025

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MANAGEMENT DISCUSSION SECTION

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

So, with me today, again, I'm Troy Rudd, the CEO of AECOM; and I have Lara Poloni, our President; and Gaurav Kapoor, our Chief Financial and Operating Officer. And so, we have a lot to cover today. I'm sure before you arrived, you had the opportunity to spend a little bit of time with some of the announcements that we put out. And we have a lot of ground that we want to cover with you and we think some really important ground. And so, we're going to try and move through a little bit of the material at pace and spend some time where we think we need to make sure that we have ample time for Q&A.

So, it's been two years since we were together, our last Investor Day here in New York. And we've been doing a lot of work to try and continue to build an industry leader. And we've been driven by a really important paradigm, and that paradigm has been a paradigm of continuous improvement. We've been doing that for six years. We've been trying to do that constantly for the last two years to drive to drive results for the organization and to make AECOM an infrastructure leader. That's what's driving our conversation today. The continued, relentless pursuit of continuous improvement.

So, we'll talk a little bit about how we're different than others in our industry. We've sort of gone down a different path over the last six years and certainly over the last two years where others in the industry have continued down the path of M&A and growing the organizations through M&A. And we've taken a very different path and a very different approach. And I hope you understand for good reason as we go through the rest of the conversation.

I'm also really excited to talk about what we think is a generational opportunity in our industry. So, before I do that, I did want to make just a few comments about what you would have seen in our press release this morning or press releases this morning. First of all is, we're very proud of the fact that we had a very strong fourth quarter and a very strong fiscal 2025. That was, I think, evidenced by the fact that we raised our guidance three times during the year and we beat that.

We also delivered more than \$0.5 billion in capital to our shareholders through dividends and through stock repurchases. And we built a record backlog to carry us into fiscal 2026. The other thing in our announcement is we announced that we're undertaking a strategic process to evaluate the alternatives for our construction management business.

Now, we're not exiting the construction management business because it isn't a good business. We have just made the decision that we need to make sure that we're allocating the time of our executive team and our management team and the capital of the organization to the highest returning opportunities. And the highest returning opportunities we see in what has been our design and consulting business and in building and advisory business and making sure that we actually execute on our plan on how we transform the business through artificial intelligence.

And so that's what we're going to spend our time and our capital. And we've reached that point in time where we think there's a better place, a better home eventually for our construction management team. And it's a fantastic business. It's ranked number two or number three in the industries that it plays in here in the United States. And it has done a great job building up a very diverse portfolio of backlog. And one of the things that has come through in few conversations this morning that I'll make sure we highlight is misnomer the construction management business is a low margin business.

We've been saying this for years is that all of our businesses have margins that are all around the same level of margin. And so, construction management is a margin – that has margins consistent with our Americas business. And so, again, we think it's a fantastic business and we'll go through this process and over the next 12 months, we'll see what happens.

Also, we initiated our guidance for 2026. And you see our EBITDA and our EPS, we're expecting for the entire business to grow at 9% or 7% and 9%. And then lastly, we've raised our long-term guidance. And in particular, our long-term margin guidance, to achieving a margin of over 20%. And within that, there's a really important message. And that important message is that we are changing the paradigm of operating leverage in our industry. And I'll give you some more details as we talk through the rest of the presentation.

So, a few key messages that I like you to walk away with today, we're going to go through this discussion. But again, just remind you this is what I'd like you to walk away with. First of all, is that over the last six years, we've always done what we said we're going to do. And so, we've consistently announced targets and we think are sometimes aggressive targets for growth and for margins and performance of the business. And we've consistently achieved those over the last six years.

And so, we stand here today to talk about what we're going to do, and we're not talking about in the context of this is what we hope to do some point in the future, we're going to talk about this in the context is that we're already doing it, and we're now willing to talk about it with you.

Secondly, as for the last two years, we have been quietly investing in building an AI capability, and we've been doing that quietly through our own margins. Next is, as you'll hear, we have a great foundation of technical expertise upon which we've expanded our influence. And what that means is we've built a program management business off the capabilities in our design business, and we started building an advisory business. And we'll talk more about our expectations as we continue to build that advisory business.

And the last point is, is, again, I said we're going to flip the operating leverage paradigm for industry on its head. So, in our business, operating leverage has typically been determined by the fact that you have 15%, approximately 15% fixed cost. So, think about that of the things like real estate or IT. And as you grow your business, that remains the same. So, as you grow your business, it creates operating leverage or improved margins.

Well, that also means that in order to grow your business, you have to add people. We've always said that we have to add professionals to the organization to ability to grow. And the cost that you add to the organization for every dollar of revenue is about \$0.75, right, \$0.75 of actually costed people to deliver that work. Well, how we're flipping that paradigm on its head is through the use of AI, we do not have to add head count to grow.

That means that the operating leverage that we have in our business isn't 15% of our cost structure, it's 80% of our cost structure. And we think that's extraordinary. The fact is we'll be able to continue to grow the business without having to add head count. And one of the largest constraints for growing businesses in the past, and this has been the rate at which new engineers or architects or designers or program managers can enter the industry and be trained to be successful. That has always been a limiting factor. We believe that's no longer going to be a limiting factor in the industry and for us.

So, I'm going to go through a few things that I think are important, just again continue to lay the foundation of the vision for the company, and the strategy, and our place in the marketplace. So, again, we are on very solid footing. We have an extraordinary group of engineers and scientists and architects, and frankly, we think about this as a large competitive advantage. There are only a few players in the industry that have the size and the scale and the experience and the depth to compete with us. So, it's already a narrow playing field where there is a competitive advantage that already exists.

And we've continued to build upon that, right. We've continued to strengthen that organization and move to a place where we're number one or recognized as number one. So, we move this year to be number one in engineering and then design, the overall design firm. And we still maintained our position to be number one in transportation, water, environments and facilities or what we call buildings and places.

So, we have a fantastic platform as an industry leader, and then that's enabled us to actually win an extraordinarily high rate. And this has had a profound impact on our margins as well. We work with our clients, our largest clients, and they trust us with their largest and most complex and iconic and important projects and programs. And when we bid on those competitively for the last three years, we've been winning those at an 80% rate. Or said differently, when our customers say there's something incredibly important, right, we're winning them four out of five times. And again, so we have an extraordinarily powerful platform upon which we're building.

We also have, again, I said a track record of delivering on our performance. I don't think I'm going to spend a lot of time on this. Our history sort of speaks for itself. But you can see the track greater performance and as we stand here today, rely on that track record of performance as we move forward.

We've built an incredibly strong management team that's very broad and very diverse and works together and collaborates globally to drive everything we do across the organization. We built a culture in the organization, where our people also focus on bringing the best of the best experiences across the organization to the individual clients. And we've referred to it as our Think and Act Globally strategy. And it's been incredibly powerful. And it's the track, it's what's allowed us to build this track record of performance.

So, this is our vision and this remains unchanged. This has been our vision for the last four years is we want to extend our influence with our customers. So, again, as I said, we have this extraordinarily great and experienced team globally that does design, does engineering, does science work, does environmental design work. And so you take all of that together and you have this incredibly powerful platform.

And we said, well, with those incredibly powerful platform and experiences, how do we expand our influence in our individual clients? When we first started with program management, we said, if we look at extending that incredible body of knowledge and experience, adding some people to our team that do program management work. So, coupling that with our team, we can expand or extend our influence within our clients or our customer base.

And so we started that four years ago. We added members to our team based on the extraordinary experience that we have in infrastructure, and we've grown a business. And we've grown a business from a few hundred million dollars in four years, to now been over \$1.3 billion business. And again, with the incredibly healthy and consistent margins.

So, the next step in that journey for us was to build an advisory business. And Lara will spend a lot more time talking about it, but the advisory business is a little bit different than what you think about from other advisers or consultants. So, when you think about folks like Bain or BCG or McKinsey, they come to the table with a very strong consulting offering. But what they don't come to the table with is an incredibly strong experience in infrastructure, right, and in science.

And so, recognizing that difference, we then are going to add more members to our team. And we start to do that over the last year to build an advisory business. And what does that mean when I say extending our influence? So, no longer just relying on design, but effectively through advisory, being there on day one to help our customers create their own vision, develop their strategy. Staying there throughout the process through design and program management and actually delivering the outcomes within infrastructure to execute on their own individual visions and strategy.

So, think about this a slightly different way. I was going to say extending our influence, think about that as addressing or improving or increasing our addressable market spend. And so in the past, go back to 2020, when we focused on engineering and design, we were being exposed to about 15% of our customers' addressable spend. Today, by expanding that into advisory program management, within that same client, by extending our influence, we're now exposed to 35% of our client's addressable spend.

So, effectively, what that means for us is, we have more bats with the same clients. So, it's a way for us to actually increase our market presence and drive organic growth in a way that you don't typically think about it. So, when we talk about our vision again to extend ourselves in advisory program management and our underlying design and engineering, what we're really trying to say is we're increasing our addressable spend with our existing clients.

And again, I won't spend a lot of time on this, but I think this is worthwhile to point out that in the long run, we play in incredibly healthy markets. There is no question that over the next few decades there needs to be a significant continued investment in traditional infrastructure, whether it's water infrastructure or transportation infrastructure or social infrastructure. So, there's no question that we play in great markets.

In addition to that, there's a focus on improving the sustainability and resilience of infrastructure, and even that definition is expanding. So, in the past, we had not thought about defense as improving the sustainability and resilience of communities and of infrastructure, it's become even more important – that it's even more important and even clearer now that investment in defense is actually improving the resilience of communities and countries.

And so, if you sort of look forward, there's an even larger opportunity for us as that continues to grow and there will be for decades to come. And then there's an insatiable need for energy, in particular, electricity, as there's an investment, I mean, an amazing investment is going to take place in AI and data centers and all the power and water you need to power that to make that a reality. And so as we look at these markets, we have – we built an organization that's going to play in markets where in the long run, our opportunities are going to be to grow greater than the GDP of a typical economy.

And then we add to that, we're increasing our addressable market spend. We add to that that we've created and are going to continue to create a competitive advantage and all three of those things give us confidence that the longer we will continue to grow organically a much faster pace than economies and GDP. And so that gives us confidence about the growth in the organization.

So, now let me talk about something that we spent a lot of time thinking about for the past 18 months. I will say that 18 months ago, we questioned whether AI was an existential risk for our industry. We were genuinely concerned that maybe one of our peers, or a new entrant into the market, or maybe one of our existing industry software providers, which is a technology that we've used for 25 years to do design. We had legitimate concern that could AI find a way to effectively put us out of business? We had a very genuine concern.

And so we started – we embarked upon a project and this is what I said 18 months ago, we did this, we've been doing this work and we've been very, very concerned about it. Over the course of the last 18 months and this takes time to do, we've gone out and said, well, to start this journey, we actually need to find some leaders in the organization who have an understanding of AI and an understanding of our industry. So, we can start to understand what is possible and find out is there someone or is there way there someone could actually put us out of business? And so we started to add people to the organization. We hired people into the organization. We started to build that team so we could sort of gain that understanding.

The next thing we did is we said, well, across the organization, let's take people within the business and let's effectively retrain them. But let's go out with partners and let's experiment. All right. Let's go out with technology firms. Let's actually go out and do some real experimentation. Can we actually create artificial intelligence models that we can use in engineering? Think about this simply as today there are large language models, which I'm sure everyone in this room uses, but other math models. And so that's where we went to experiment. In the world of math models and to understand how large language models can actually influence a business as well.

So, we started to experiment and we started to see what was possible. We continue to build that team. We then went out, we found new entrants in the marketplace and we started to partner with them. So, understand what they were doing, be a partner and see were they actually building a team and a capability that we should really be concerned about. Were they, in fact, going to put us out of business?

So, we grew through all of those experiences. We built a team. We started to experiment. We experiment with people outside the organization. And then at a certain point in time, we actually made an acquisition. We found an organization that had built math models. And they were going to profoundly change the industry. And they were going to put us out of business. And they were very bold about that. So, they were unique and now they're part of AECOM.

So again, we spent the last 18 months building a team, hiring, training and acquiring. And so now we have a unique team. The next thing we did is we said, well, we actually have to start to build models. Think about this as building tools, building tools, building models, or even think about this as building new teammates, right. Actually building the teammates the way we thought about this is, we have our people that do engineering and design, well, they can have the teammate and that teammate can be what's referred to as an AI agent, right.

So, we've now built this out and we've gone through the process of actually testing this with our clients and delivering projects and also understanding when you make a comparison, right, the way we've deliver a project and the outcomes we've delivered for our customers, are they different? And they are dramatically different. And I'll give you some more detail and explain that.

And so, we've now gotten to a place where we've been investing for 18 months and doing this quietly through our margins. And we've built a team that we know that doesn't exist anywhere else in our industry and it doesn't exist in other new entrants and certainly doesn't exist at our traditional software vendors that we've relied upon. And so we view this as a generational opportunity. And through that, again, we can flip the operating leverage paradigm.

Let me give a little more detail, right. I said that we were worried someone's going to put us out of business. I think foundationally to answer this question is should you be concerned and how could this happen? And so, let's look at what clients ask us to deliver for them, and what they hire us to do is they hire us to deliver incredibly complex outcomes. Whether that's an incredibly complex design or whether that's an incredibly complex infrastructure outcome, that's what they hire us to deliver. And that's not changing, sort of clients are going to expect us to continue to deliver that.

So, to deliver that, you have to have a really experienced team, right. We're still going to need the team of globally experienced engineers and designers and architects to all be able to come together and give our clients confidence that we can deliver those outcomes for them. And they also have to be able to certify those results and they will be able to stand in front of regulators and say, be comfortable with this outcome. So, that doesn't change.

The next thing is you have to have a trusted client relationship. A client does not trust you with billions of dollars infrastructure investment or even a design, excuse me, that takes tens of millions to deliver, right. They don't do that unless you have a trusted relationship. So, you have to have the team and you have to have a trusted relationship with your clients. Next is you have to have a balance sheet. You have to be able to stand behind those designs and you have to be able to do something as simple as procure an insurance program to support that client's project.

And then the last thing is you use technology. And so, the technology that we have used has been the same for the last 25 years. It's been software. And it's been evolving slowly. And so, we see that's the place to insert ourselves is by building a team of AI professionals, right. And we're talking about AI PhDs, machine learning PhDs, data scientists PhDs. We're talking about a group of people that have this unique ability and skill that we

have now tested and more importantly, got them to work with our engineers to be able to build the tools or the teammates to transform how engineering is delivered, right.

We now step back and say, well, you have to have all of those four things to be successful. We're the only one that has that team and we're the only one that has a tested team. And we're the only one that wherever that can deliver this. And then you step back and say, well, should you be worried about new entrants? Not really. Because they might be able to develop technology. But they don't have the engineering teams. We have the confidence the result will get delivered. They don't have the trusted relationships and they don't have a balance sheet. So, new entrants become unconcerned about.

And you look at software, traditional software companies, yes, they can provide tools, but they don't have those other conditions as well. Yes, they have a balance sheet, but they don't have a team and they don't have that trusted relationship with clients. And then you look at our peers and peers of all of those conditions, but they're using old tech. An old tech will deliver a very different answer. So, I actually think we view this as an existential risk 18 months ago. Today, we view this as an existential opportunity. And maybe we should be considered the disrupter.

So, I talked about this in terms of a generational opportunity. Now think about changing the outcomes that we deliver for clients. And the outcomes that we change and they come in how we deliver. So, in terms of what we've learned in delivering client outcomes, we have learned through using AI with our teams that we can deliver things at an incredibly fast pace. So, in the design process, what might take months, AI can do almost instantaneously.

Now what we would deliver would not be instantaneous because you still have to have your team be part of the process. So, you have the ability to certify and give the confidence to your customers that you're going to deliver something that's different. But now you're taking something in months and maybe you're shortening that design timeframe to weeks. And for a customer, what that means is? That means that's an asset that can be put in place at a much faster pace.

It also means that the really important decisions that you need to make and those decisions are typically around the cost of the design or the cost of the infrastructure you're designing. You make those decisions much earlier in the process. So think about it as the opportunity to value engineering to get to your customers' budget much earlier in the process. We can now accelerate that. That's incredibly valuable for customers, right.

And the next thing is, there's a lot of times there's redesign and there's rework as you go through the process. Because we're relying on AI and the pace at which it can work, we can do rework, we can do redesign, or we can adjust the models at a much faster pace than we could have in the past. Again, more acceleration in the process for your customer, which is incredibly valuable.

The last thing it does is it gives us the ability to materially reduce cost. And so as we've gone through the design process, we have found that we're able to take 10% to 20% of the materials and thus potentially the cost out of a design. That's the client outcome. That's an incredibly different value proposition that using AI delivers to customers.

And then for us, it profoundly change the ways that our team will work. So you think about this, as I said, we've shortened months, right, into a very short time of weeks. So, there's two things. One is obviously it allows us to deliver that work with far less participants. And that's what I said, is that changes the operating model, our operating leverage model in the business. Now we can grow without having to add people. The other thing it does for people and makes us more attractive to the place to be is it gives us the ability to accelerate the careers of our

professionals. So, in the past, right, you'd come up the organization and you'd spend years learning how to design and doing the same thing over and over and over.

And so we'd said the past, well, it takes a long time, maybe a decade, for someone to design a particular kind of infrastructure. Well, now, because we're able to take those professionals and give them those profound experiences in much short period of time, we can accelerate their careers and their career growth. We can turn, right, a 10-year seasoned design professional, right. We can create that in a much shorter period of time. And so that's profound for us. It gives us the ability to go and attract people to have a profoundly better and different career. Spend more time, be more innovative, or come up with ideas for their customers, that's fantastic. And the other thing it does is, again, it just changes the operating paradigm.

So, as you can appreciate, I'm going to talk a little bit about how we're thinking about this and why this works. But again, for obvious reasons, we don't want to create a road map for our – what I'll say with our peers, or perhaps who used to be our peers. We don't want to create that road map. So, I'm going to be a little cautious in how I talk about this. But as I said, starting with we've created a team that can work with the engineers or the designers or the architects in our business. Because they understand how to design and they take the technology and merge it together. So you create math models that can support or do the design.

Now, we've had success building it out in segments and deployed it on projects and test it for over a year. Now we have the confidence that we can extend this across our entire portfolio of engineering design. And so, we have a road map over the next 18 months, where these teams and we're building those teams again at a fast pace so we can accelerate this process. But over the next 18 months, we're going to actually do this across our entire portfolio of engineering and design and transform the way we do work and bring those client outcomes, I mean, those outcomes for our organization across the entire spectrum of what we do.

Now, I'll give you a little bit of insight as sort of how do you actually create AI that can produce these results? Well, first of all, again, you have to have the right team of people that can come together to do it. Two very diverse skill sets that come together and we know that they work together and they can actually build these, again, I call them teammates where they can build these models that we can deploy.

So, think about taking a design and delivering a design with 20% – 10% or 20% less materials. So, why is that? Two fundamental reasons. One is the engineering and design process today is fraught with human bias. And so the way the process goes is the client gives you a specification and then you start to design it. And as you design it, you take a conservative approach.

And so think about that through that conservative approach, you know it needs to sort of withstand a lot of scrutiny in the process, regulatory scrutiny, client scrutiny. And so you might design it to be a little better than maybe it needs to be. And then you take something that has all of these various designers and with various disciplines coming together, right, mechanical, civil, electrical, they come together and they all just make it a little bit better than it needs to be. AI doesn't do that. AI gives you the answer, right? It gives you the – this is exactly the right answer, it's exactly what you need to design to.

The other thing in that process is optimization. A lot of times you'll do a design, we'll price it out. We'll find out it's too expensive. So, we go through a process called value engineering. Value engineering means that you have the team come together and you say, what can we do to make this more effective? How can we take some cost out of this design? And so they try and optimize the design. And so it's, again, human beings under a lot of time pressure, because at that point in time, you've got your customers saying, I need the new design, I can't wait.

And so, you come together and I'll call the optimization is being incremental. Well, imagine that AI, as I said, can work and do this math. The math models can do this instantaneously. So, if you start upfront in the process and you've trained AI, so that it takes the human bias out of the equation and you've trained it so that it can optimize to the absolute best answer upfront. That's how you end up with your designs having 10% to 20% less material and therefore cost.

And so the way that you go about doing that again is you take these teams and do that. You also have to have a knowledge of design. I'll call – you have to have knowledge the first principles that you use for design. Then you have to have an understanding of how do you actually go through the process? What are the steps of, for example, designing a bridge? You have to have that knowledge. Then the next thing is you have to have some data that you can use, but not too much data. And the really important powerful part of this is then you create synthetic data upon which you train a model.

And so it's a combination of all those things. It's a combination of two teams coming together, having the experience of design with right AI capability, the ability to build math models and then you bring that together with a little bit of the data, and you bring it together and you create synthetic data to train models and then you get the output. And so where we are today is we've been able to work through those things and have confidence that we're now going to be able to build this across the entire spectrum of what we do every day. And again, that will transform the outcomes for our clients and it will transform our operating and our leverage model.

So, as I said, this didn't come together overnight. This actually goes back years on our journey. This was – we've been in this constant pursuit of innovation and improvement. We've built a team, we've built a culture, that does this. Then we said it again, as I said, 18 months ago, we'd started on kind of the digital journey four years ago and we very quickly realized that the digital journey was old news, right? As I said, we recognized that there might be an existential risk with AI and so we started two years ago, experimented, and 18 months ago, we really started this as our new journey.

And so this is what's taken us to get here. And the reason I bring this up is because this isn't something you can do overnight. You can just flip a switch and say, I'm going to do AI tomorrow, you can't. If someone wants to do what we do in our industry, they have to follow this journey that has taken us 18 months to get here. This isn't something that you can catch up quickly.

And then the other big question we've had for I'll say maybe the last year, 18 months is, boy, you have industry-leading margins and you set a target of 17% and you just achieved them. I guess there's really no margin upside in your business and we've quietly been saying no, there is upside in our business. We just haven't been ready to talk about it yet. And now we are.

And the upside in our business hopefully becomes self-evidence in the way we're actually going to change the delivery of what we do. And so that upside now as we see our margins going beyond the 20% and they're going to be enabled by this team and by the AI and the way we're deploying it across the business.

So, you've heard a lot from me. I just thought it might be helpful for you to hear from some of the other leaders in our business to get their opinion and hear from some of our AI leaders. Just so you get a sense of how we feel about it as an organization.

So, if we could run the video, please.

Unverified Participant

Innovation in our industry has provided for safer infrastructure, more sustainable infrastructure, better construction materials, and even better construction techniques. But the reality is, we haven't seen a lot of innovation in the way we develop and design really since we switched from paper to computers. AI is going to profoundly change that. It's an opportunity for us to drive speed in the process, to reduce the cost of materials and delivery for our clients, to allow for more investment in infrastructure for our communities.

Unverified Participant

Our approach to tech has been very intentional and it has been impact driven. So, we have strategically embraced AI and automation, not because they're trending, but because they really enable us to deliver better, faster and more cost effective outcomes at scale. We can simulate, we can optimize, we can really iterate in a fraction of the time. I'm absolutely confident we're positioned to lead. We're not just experimenting with AI, we have made a deliberate, company-wide commitment to really embed it in how we deliver value.

Unverified Participant

We have already seen how transformation has taken place within the IT sector, and AECOM is now helping to drive a similar shift in an industry that urgently needs both innovation and transformation. We accelerate the engineering process by integrating AI agents directly into the design teams. This collaborative approach allows human's expertise to focus on creativity, decision making and strategic directions, while AI handles the detailed analysis and intricate problem solving. AECOM's transformation is both boldly led and truly transformative.

Unverified Participant

Our ability to take an automation, a great way of delivering something and take it to another geography demonstrated for a client is one of the key ways in which we differentiate ourselves from many of our competitors. Now we're in a world where things are changing rapidly. We've got to upskill our workforce very quickly and we can upskill them faster on whatever job we're deploying. We're pushing the boundaries of what is traditionally done in our industry and find that next level of value for our clients and for AECOM.

Unverified Participant

With the advancement of our AI strategy going forward, we'll be able to take a leap ahead of our peers to deliver a better solution for our clients.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

We'll move through the materials and we'll get to that in a few more minutes. I just want to conclude with this. Transforming our industry and transform our business obviously has pretty broad and important financial implications. And so, this is the way we think about the business in terms of our enhanced or changed financial performance. We don't see a change in the organic growth opportunity of the business. I've sort of laid out why

we think that's the case and what we haven't built into this as we haven't built into what might be a competitive advantage that gives us an even bigger opportunity for organic growth.

We also see our margins again growing beyond 20%, and that's a fairly compelling and significant outcome. And all of that means that we expect an EPS CAGR of over 15%, and this is how we're planning on getting there.

The other thing I'll point out is it doesn't change the underlying cash flow profile of the business. And so, we expect to deliver convert earnings to cash at 100% in the long run, which means, again, that we will have ample capital to continue how our capital allocation opportunity and to enhance that 50% EPS CAGR. And so all of this comes together sort of in financial terms and this is the summary of what we see in our future.

I'm going now turn this over to Lara.

Lara Poloni

President, AECOM

Thank you, Troy. Thank you, Troy, and good morning, everyone. So we're one year into the creation of our next \$1 billion platform, our higher margin platform being our advisory business and now more than ever, we see a tremendous opportunity for this to be a key contributor to our competitive advantage, all differentiated by our tremendous technical capability. That is the key differentiator for us and our particular advisory offering.

We've seen over the last few years, the management consultants try to encroach upon this infrastructure space. Everyone's excited about urbanization, infrastructure, so there has been a big move by the management consultants and the Big Four into our space. However, they don't have the technical substance. The reason why we are number one, the number one design firm, number one across all of our key end markets is because we have the industry's best technical professionals and our clients, now more than ever, need this technical expertise as they plan their next strategic plans, which projects to bring to market.

So, whilst the management consultants can come with incredible cachet and brand, they don't show up with the technical substance and the in-depth knowledge of our clients' portfolios and their assets like we do and we have the longstanding relationships we've built that client relationship moat and our advisory offering will enable us to further consolidate that relationship that we have.

So, we typically see the management consultants show up to many of our similar clients with a different model. It's four management consultants and one technical expert, and often that technical expert comes is a subject matter expert from outside, sometimes it's from a firm like AECOM. If they need real engineering and design knowhow, we're flipping that model on its head.

So, we show up, our advisory teams show up with four technical experts who are well-known over many years to our clients. They know us for that tremendous technical capability and knowledge. And we also bring along one management consultant. We didn't grow that capability overnight, but we now one year in have a team that is that complement the four technical experts and the management consultant.

So we're really disrupting the advisory industry and we think that there is a tremendous whitespace that we have moved into, which is unique to us because of that technical differentiation. So, people are really noticing. As I mentioned, one of the key things is because of the longstanding client relationships that we have, we can automatically open the doors at the C-suite of many of our client organizations and give them depth in the advice that we give them in terms of whatever challenges or opportunities they have.

One thing I want to be very clear on, we have not just packaged up a different team amongst our 50,000 professionals globally. This is a different team and with a different commercial aspiration. So, we've taken the time within AECOM to be very clear that we have a higher margin expectation, higher rates. And what we're excited about is this is an entirely different commercial proposition with our clients. It's about value-based pricing and the same applies to the game-changing plan that we have around AI as well. It enables us to have a different, very different commercial conversation than what our peers have and to co-create that with our clients and to talk about what are the key success factors and how are we going to be incentivized and sharing that and really cross that model.

So, we really have moved to another paradigm of advice to our clients. When we join that up with our program management capability that we've been building for the last few years, we extend our involvement across the project lifecycle and we – it's positioned AECOM to a very different paradigm compared to our traditional peers.

So, advisory is a key, key component of the three pillars of the long-term growth algorithm and I'll just explain how we sort of break that down and make that contribution. Number one, we see tremendous opportunity to really grow our market share and extend our influence. As I said, we're moving to a different group that is occupied by the management consultants and we have tremendous confidence in the long those long-term secular trends.

Infrastructure, urbanization, they are long-term trends, and we have deep knowledge of those trends and we are well poised now to be able, with our advisory capability to help our clients conceive what is the best business case for their projects? How do they rapidly bring projects to market? You all know there is a lot of pent-up demand in the infrastructure world because of the budgetary challenges, the geopolitical shocks that have happened, particularly over the last 12 months. So, who better than AECOM to help our clients execute on that and bring those projects to market in the infrastructure world?

The same applies to the energy transition. The same applies to the world of resilience and sustainability, where we have market-leading credentials through the work that we've undertaken over the last couple of decades, particularly with our environmental services firm and the new advisory consultants that we've brought in.

There are other market share gains that we absolutely believe that we can take this market share to be taken at the municipal level. Many clients, for example, our traditional water clients have revenue leakage. They have a real need for advisory services to come and help them plan out what's next with respect to their portfolio of assets.

And then there is a very exciting whitespace that our advisory team has already made a great impact in, and that is the world of private capital and infrastructure funds and financing. You all know that there is there are truly there are trillions, literally, of dollars out there. Infrastructure is a very attractive place for sovereign wealth funds, for pension funds, for superannuation funds and investment firms to park their money. They see the long-term value in infrastructure. And we're excited about many of the conversations that our advisory team are having at the moment with many of the new clients in that space who really want rapid, timely advice and they want ideas about project creation.

So, it means that we can break free from the traditional transactionary environment that many of our peers are in, and we'll still be a participant in that. But this is a very exciting whitespace for us to move into in terms of project creation, market-led proposals and unsolicited proposals as well. So, that is the third element of that long-term growth algorithm that represents a new space for us.

Our clients need that support now more than ever. And our influence in the way that we grow this advisory business is going to be a global scale. Obviously, there's a key opportunity here in the US, but around the world, we look at the rebound that we're expecting in infrastructure over the next decade. UK, for example, has a 10-year infrastructure blueprint, \$725 billion of water, transportation, energy infrastructure. They're going to need – those clients are going to need our help about how to rationalize and prioritize which projects and what is the technical advice that they need to bring those projects to market.

And here in the US, we're only 41% spent in terms of IJJA. As I said, we know that there's significant opportunity at all levels of government to help bring these projects to market with those advisory capabilities. So, our advisory capability in a nutshell is really helping our clients to prioritize projects, how to navigate this new and ever-changing funding environment also. And as Troy explained, when coupled with our AI capability, it's going to give tremendous confidence to our clients who have many great ideas about projects, but want a heightened level of technical understanding and confidence around what it's going to take into deliver in a timely and cost efficient manner.

Critical to our success so far and indeed going forward has been the ability to attract the industry's best talent. And you'll recall a year ago we brought Jill Hudkins to AECOM as the leader of our advisory business. We started first in water and environment only, but one year in, we saw tremendous opportunity to really broaden that across all of our services, whether it's environment, water, transportation, our facilities. There's been great interest from many of our clients.

And most importantly, many of the people that Jill has hired from the world of the Big Four and the management consultants are truly excited about what we've been creating at AECOM. I've had the pleasure to join Jill on many of those early interviews with some of those consultants, and they said very clearly, we have the knowhow, we have the playbook in terms of what makes a McKinsey or BCG successful. We know how to frame that differently to what you guys do.

We know how to price that differently to realize value. But what we're excited about and why we want to come and join AECOM is because there is no other company that has the technical capability and the breadth of what you have at AECOM, and we're really excited about what you're creating with your advisory business. So, it has been relatively easy to attract these fantastic talent to AECOM, and we're excited about the many more team members that are going to join.

We have great confidence in the ability to double the size of this business over three years. We're well advanced with that and to, for this to be our next billion dollar platform. And as Troy explained, the longer-term aspiration has been for our advisory business and for program management, and we view those together for that to comprise 50% of our business in time. And those two businesses together will be growing at a faster rate than the rest of the business. So we've taken a very disciplined approach to the talent, the plan that we have and the aspiration for our advisory business and the investment of time and capital that we've had. But we're well on track in terms of our aspiration for this business.

Just a quick update in terms of our talent capabilities and how important that is and what we've been building over the last few years. You frequently get an update from us in terms of talent attraction, retention. This is another great story. We've put a lot of time and attention into ensuring that we continue to attract the industry's best talent, whether it's an advisory or whether it's in all of our other key disciplines, and that they stay. So the investments that we have made are about the engagement of our people, recognizing that the AECOM is the best place for them to build their careers.

So, we invested in leadership development at all levels in sort of industry-leading learning and development programs, and we're going to continue to do that. We recognize that we now have a tremendous and even more diverse base of talented professionals, and we remain very focused on continuing to expand out the AI team and our advisory team with the niche expertise that we require to successfully grow these businesses.

All of these talent acquisition and retention strategies are critical for ensuring that we continue to win at the rate that we have and have the levels of client satisfaction that we currently enjoy. And most importantly, the record high levels of staff engagement that we've been able to achieve as well. So, all of this very important talent agenda, which remains a key priority for our management team will continue to ensure that we further extend our competitive advantage. It is a key factor for ensuring that we execute on our growth strategies and continue to create value for our shareholders. So, thank you very much.

Over to Gaur now. Thank you, Gaur.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

Thank you, Lara. Good morning, afternoon, everybody. First of all, I wanted to say thanks to our 50,000 strong professionals across the globe, because of whom we have been able to create sustained value for all of our stakeholders over the last five years, which has been really gratifying for this management team. But as we stand here today in front of you, that value creation opportunity of what we have achieved over the last five years is far greater in the near, mid and long term as we move forward, leveraging what Troy and Lara have shared with you.

Now, the reason for my excitement and confidence is not because of the art of possible. It is because we have already achieved what Troy has discussed, specific to generative engineering design technology. Please allow me to be a little redundant here. We're not standing here today discussing what we can do, what the art of possible will be sometimes in the tomorrow. We have already achieved what we're sharing with you today. Now, over the next 12 months to 18 months, we will be scaling it across all of our end markets, geographies and various asset types.

This management team takes a lot of pride in delivering, over delivering, in fact, to any commitments we make to our investor community. This is because when we provide a commitment, we have researched it. We have piloted it. We have tested it. We rinse and repeat that process again and again. That is why we stand here today, very confident, in the financial commitments and the outcomes we will achieve over the next 36 months. And the excitement you see us from today is not solely limited to generative technology we will scale. It is due to the expansive opportunities it provides our professionals to deliver solutions for their clients, which in turn deliver value for our shareholders.

Now, please let me allow give me some time to explain that little bit more. You heard Troy state earlier, an industrial age old problem in engineering and construction. It is, it takes always longer and it always costs more on projects. It doesn't matter which geography, what type of project. It will always take longer historically, and it has always costed more than you originally anticipated. And that cycle goes on again and again and again.

What we have created, what we will allow are professionals to deliver solutions faster than anyone to their clients. Make changes for whatever reasons they may be, in a matter of days and hours instead of months and weeks. Now, our professionals will create synthetic inference based mathematical design models, which support the generative technology that will cut down total constructible cost. I want to repeat that again. It will cut down total constructible cost by anywhere between 10% to 20% based on what we have already achieved.

I'll ask a question to the audience and all of those who are listening today to our Investor Day. What is the monetization opportunity when you have technology, which will deliver an asset earlier for your clients' use of revenue generation, maybe to its constituents at a lower cost basis, delivering a higher ROI? What is the value to our public clients across all layers of government federal, state, local, with limited funding but significant infrastructure needs when we, with our support, our professionals and our tools, generative tools we have created and will scale will make those dollars go farther?

Now, I haven't even gotten into expanding our TAM, our total addressable market. By all accounts, every research report I've ever read, somewhere between 60% to 80% of our industry is fragmented. It is served by law small firms local proprietors, because of constraint on labor, 60% to 80%. That is not being addressed by companies like AECOM. We have the technical prowess and now combined with this technology with our professionals, which expands their labor productivity, that fragmented market is for ours for the taking. And not by doing expensive, risky, low ROI M&A, it is again by expanding labor productivity that until this point was not possible. That is the paradigm shift we're discussing.

Now, one of the things that Troy has mentioned, and as you see on this slide here, is operating leverage. Let me explain this a little bit more. Historically and AECOM has been part of that historical delivery, for every dollar of revenue we generate, it takes somewhere between \$0.80 to \$0.90 of variable cost to deliver that revenue, resulting in operating leverage of 10% to 20%. We have been at the higher end of this operating leverage, clearly, as evidenced by the strong margins, we have delivered head and shoulders above our peer average.

With the technology, generative technology that we have achieved and will be scaling, it will allow us to expand that operating leverage. We have already realized some of that in FY 2026 and the guidance we're putting forward. It will continue to expand in the near future, in the midterm to 30%, 60%, 80%. And by the way, this is not just for incremental revenue that we drive. It is for the entire revenue base, that's the part that I love best.

Now, we're not naïve to think that this will just happen overnight, but it is going to happen quickly because again, the disruption has already occurred and as it occurred, we are at the forefront of it. We've already seen the progress we have made, reaction of our people and clients and the investments that we're making in fiscal 2026 to scale. Those investments are reflected in the margins. This is excluding our CM business, where we expect to deliver even with the investments of 60 to 70 bps that we're going to be making in the business through our margins, that is included in the 16.6%, even with that 60 to 70 basis points, we will be delivering higher margins than what we achieved for FY 2025. It gives you a bridge of what we expect are the building blocks to deliver 20-plus percent margin as we exit velocity for fiscal year 2028.

So these investments that we're making in fiscal 2026 to scale are not just driving FY 2026 benefit, but an extrapolated, expansive benefit throughout the organization into the near and midterm. Advisory business, as Lara pointed out will continue to also provide tailwinds as we scale up from our base level of \$200 million of NSR to \$400 million as we exit FY 2028 at higher value, higher margins.

And one thing that you all have become accustomed to and should always hold AECOM responsible for is our focus and management of continuous improvement. We will always look for opportunities to better our margins, make our infrastructure and our cost more efficient. Let it be from our global business services, which are our support functions, our EC centers, where we're exiting close to 7% of our direct labor hours running through those capability centers. We know there's still a lot of room for us available to continue to utilize that and driving technology, agentic technology, generative technology in the way that we work.

One key element to our success has been focus. Five and a half years ago when this team took over, we looked at the best and highest returning opportunities, best ROI opportunities, and made decisions where to focus to create sustainable value. Create value for all of our stakeholders. That included exiting almost 65 countries over that time period, exiting from risky businesses that did not drive the right value creation opportunities for our shareholders. As we sit here today, hopefully it's becoming clear to you the opportunity in our professional services design engineering business augmented by our advisory services, but the opportunity for generative technology.

The ROI opportunity is significant in front of us. It deserves our full focus and attention. And although our CM business, which has been a very good business, over the last few years, we will be undertaking strategic reviews, including potential sale. That means starting in Q1, it will be shifting to discontinued operations as required by the accounting rules.

One of the things I did want to share on capital allocation expect no changes from us. We will continue to focus returns because that is what drives sustained value creation for our shareholders. That includes proceeds from our construction management business upon a sale will be used consistently with how we have used capital in the past to repurchase our stock. At the same time, I think it is very important for everybody to remember, we don't build in buybacks into our guidance. It is impossible to do so based on timing, quantum, pricing, all of those things. Those proceeds we expect based on everything we know, once we have bought back our stock, EPS will not be dilutive for the standalone RemainCo company.

Quickly sharing our results for FY 2025. It was another very strong year, including driving strong organic growth at the top end of our peer set from those who have reported in the fourth quarter. We raised our guidance three times during the year and even after raising it three times due to the hard work of our professionals, we were able to over deliver in Q4 compared to consensus again. We've exceeded on EBITDA and EPS and margins.

In fact, when you look at EBITDA and EPS, the original guidance that we made for FY 2025 this point last year, we're at the top end of the range. Margin percentage, I'd be remiss if I didn't go back and remind everybody we were supposed to achieve the 17% exit velocity next year. We achieved it five quarters early. Second half of the year, we've delivered 17.1% margins. And as importantly, on the right side is our backlog. Any way you slice and dice it, 20 quarters in a row we have delivered while contributing organic growth above or at the near top every single quarter of our peer group, our backlog has been 1x or better.

In Q4 FY 2025, we delivered 1.1x with strong organic growth. This was in our international markets and in our Americas market. And when we look at our pipeline, our pipeline continues to be very robust, including the early phase of our pipeline where we see growth of almost 20% across most geographies and all end markets, which sets us up well going into FY 2026.

It allows us to make the investments we have been making and will continue to make in FY 2026, including the 60 to 70 bps of margin investments organically in that FY 2026 to scale the technology we have developed.

For FY 2026 guidance, we are providing it two ways. One is an apples and apples comparison for everybody's benefit for holdco, which includes construction management. 7% and 9%, respectively on adjusted EBITDA and EPS. And as we're going through the discontinued operations calculations right now, we've also provided to you our FY 2026 guidance, excluding construction management or what we called RemainCo, that is what we will be reporting on going forward.

The growth is very consistent on top line, on EBITDA, and EPS. And one thing this management team has been focused on and will always be focused on is ensuring not that just we deliver, but for every opportunity provided to us, we over deliver on the commitments we make. For FY 2026, cash will be impacted only in FY 2026 based on the investments and the restructuring, we will undertake to right size our platform with the divestment of CM and overall adoption of the technologies that we're creating and scaling.

One thing I wanted to share with you guys on our long-term targets and emphasize as I walk through the different pieces, we don't see a change into our long-term growth algorithm for top line. Hopefully again, it's becoming clear to you we're expanding the ways on how we will be approaching the market and taking market share away, continue to take market share away based on the technology we have developed. We're not no longer just solely reliant on the funding of our clients because we have a competitive edge in our platform more than we have ever had before. Something that we have not seen in the marketplace from anybody, not our peers, not software providers. For the clear reasons Troy stated earlier.

We're also raising what we think we will be delivering on EPS growth CAGR over the next few years. Again, this does not include our capital allocation impact of repurchases, which our capital allocation strategy continues to be unchanged.

And the last thing I want to leave you guys with, as we take a step back is we think the future is bright for many reasons, as we have shared with you today. But if you have one takeaway, remember this, the most common question, when we have spoken to our analyst community, to our investors, prospective investors over the past five years has been how can you grow in a labor-constrained market? How can you continue to grow when you're delivering such strong organic growth year after year and the labor market is constrained in our industry? It's a valid question even today, but not for AECOM. It is a valid question for our peers, because we have changed the paradigm of the value creation opportunity.

Thank you very much.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Thank you, Gaur, Lara. Is my mic on? It's good. Great. Again, so, I think at this point in time, we'll open up to questions.

QUESTION AND ANSWER SECTION

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

I think, Steve, you had your hand at first.

A

Steven Fisher

Analyst, UBS Securities LLC

Thanks for that great presentation. Steve Fisher, UBS. So, I just want to clarify how you get to this 50% operating leverage improvement. Is that the combination of having fewer team members on the team and using your internal resources more efficiently, but then at the same time, since your cost [indiscernible] (01:10:13) do you need to change the revenue model when you're talking about price for value? Does it become a sort of blanket fixed price for a project and you just deliver at a lower cost? If you can just clarify that, please.

Q

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Thanks for starting with a really simple question, Steve. So, I will take that in two pieces. First, in terms of the operating leverage, the way we think about this is, our traditional team has had a group of, let's just say, a group of engineers with different disciplines that would come together and they would spend their hours to deliver a project. So, you can think about it this way as you can introduce an AI model or you can introduce elements of AI and they can act like a teammate.

A

So, now the engineer will work together with an AI model, or it'll work together with a new teammate. And as a result of that, that work gets done differently. So you're effectively you're extending the ability of the team of engineers. The other thing you're doing is you're actually shrinking the time and the effort that it took because of the new teammates to do it. And so, effectively, that changes the operating leverage paradigm.

And so, one of the things that we've been doing is we've been working with this on projects to actually understand what the implications are in terms of a reduction in the traditional labor, right, or the traditional hours that our engineers would deploy in a project. And so, we've seen it, it would take an extraordinary amount of hours to date out of those projects. And so that, again, I'll give you a sense of what we're talking about. We're talking about entirely different teammates that are AI models, and we're talking about a significantly less amount of time to deliver the same outcome with those people's time. And that creates this operating leverage.

You ask the question about revenue. Think about it this way is, in our industry, there's a market price for what we do. And when we compete, we all have worked with our customers. A lot of times those prices are actually public and public procurements. And so, there's a market price for what we do. Put aside how it's actually structured, whether it's a fee, a fixed fee, a cost plus a unit price. There is a value that the industry pays for getting a design outcome or getting a program management outcome. And so, we look at it this way as we sort of have the opportunity to price to market. And if the margins are better in price in the market, we decide what we want to do with it. Our objective is to keep it. But we may make some different decisions.

And then you start to think about, okay, well, there are different means of how our customers price. And, when we go through, we do this work, we're going to have an experience where we will decide this is what the market price would be and we would deliver it for that quantum of work. We can now deliver it for an entirely different quantum

of work. With that experience, we will then have the opportunity to go and have a discussion with our customers, about maybe we want to change the market price, but I don't think we need to. I actually think it's the opposite. I think because we're going to be delivering designs or delivering our work, that's such a profoundly improved outcome for our customers, I don't think we need to change market price to actually capture more market share.

Steven Fisher

Analyst, UBS Securities LLC

Q

Great. Thanks. And my follow-up is, in terms of customer receptivity and I know it's still pretty early, but based on what you've been kind of working on and the customers you've been working with already, is there any early indication as to kind of where the adoption is going to be most prevalent? And quick, basically, private sector, public sector, large projects, smaller projects, end markets, geographies, how do you see that?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

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Well, I can't give a data point on everything, because, again, we've only sort of taken this out and sort of certain segments of our client base, certain market. But what we did is we did a couple of things in the process. One is, I can tell you from the work we're doing now, the client acceptance is easy. Because again, as I said, they still require the same things. They still require the confidence of that team. They still require you to certify the results, that's not changing, but the result that they're getting is different and more valuable, right? They still have that trusted client relationship, so they trust you to deliver that.

And so when you come in and you sort of explain the different kind of outcome you can get for them, they're incredibly receptive to that. And especially when you sort of go through the, I call it the private customer and the public customer, they all face the same challenges. And the same challenges is, there's a limited amount of funding and there's an unlimited amount of infrastructure ambition. And so they're widely accepting this.

We don't – we haven't found a client yet that says, well, hang on a sec, I'm not willing to do that. We actually found the opposite. The other thing we did as part of this process, we went out and we actually talked to customers. When we actually went out with an outside firm, that wasn't us, just to test this on our customer base. And we found across our customer, public and private and almost unbridled willingness to accept this innovation.

Steven Fisher

Analyst, UBS Securities LLC

Q

Thank you.

Adam Bubes

Analyst, Goldman Sachs & Co. LLC

Q

Hi. Good morning. Adam Bubes with Goldman Sachs. It looks like you're investing through margins to invest in AI development. Do you have strong visibility on duration and magnitude of those investments? Or should we think about this as a moving target as you continue to iterate on your tools?

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Yeah, that's a good question, Adam. The easiest way to think about it is we're going to continue to invest. However, all of those investments are built into the targets we have set. So, there's the initial investment year, that's why you see the 60 to 70 bps in FY 2026 coming into play. But as the targets we put forward for FY 2027

exiting FY 2028, 18-plus percent, that is net of the investment that's going to take us to continue to scale, continue to develop, and always be ahead of the curve as we are right now.

Adam Bubes

Analyst, Goldman Sachs & Co. LLC

Q

And then a follow-up on program management. Looks like your ambitions are to continue to grow the mix of that business. Can you just provide an update on what the trajectory there looks like today? And then curious, are customers using you for the total package today? Will you be engaged for program management, advisory, engineering and design? Is there a way to frame the opportunity to sort of internalize all that within AECOM?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

So, I would think about program management now growing at a pace that slightly outpaces our engineering design business. I think Lara mentioned this in her points is we expect it to grow at a faster rate. We grew that business very, very quickly to get to the size and the scale and the competence that it is today. We still see there are tremendous opportunities in program management around the world, but we see it growing at not that rate. We were growing at a double-digit rates in the past. We see it outpacing the overall growth of our business.

And then the other – so to answer your second question, the answer is yes, we do. We actually see where we're delivering kind of the whole spectrum, right? Advisory and design and program management. Take them through the process. But it's different for every client. And so we find that there's a more willingness or more acceptance within private clients, right. They're more accustomed to doing that. Within the public sector, it depends on the client. Some actually have some pretty strict rules about what roles you can play. If you are an advisor, you can't be a designer and you can't be a program manager. But you can even put that aside in some places because sometimes what you provide is so compelling that they're willing to make exceptions.

And so, I won't discuss the client projects, but we've actually found places where what we've provided is so compelling that they're willing to sort of go through a process to set that aside for you. But again, it's very mixed at this point.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Saba, up next.

Sabahat Khan

Analyst, RBC Dominion Securities, Inc.

Q

Thanks. Saba Khan, RBC. I guess just continuing the discussion you had with Steve on the pricing models, I guess. Now you indicate about 60% to 80% of the industry is still fragmented. Many of those folks probably can invest in that stuff. And at times, it's been said pricing may be not a factor in some of the bids or many of the bids. How do those other 60% to 80% sort of compete? How do you expect the bidding processes to involve or some going to show up with AI, some are not? Just trying to think through how the competitive dynamic involves as maybe, some folks are able to invest in this stuff and some not? And how you price for it?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Are you familiar with Blockbuster? That's the way to think about it. I'm being serious, right. I mean, so I'll give you an example of, if we go to do environmental work and it talked about different teammates, imagine they show up

with a group of five teammates, right? Five people to work in this project. Imagine if we show up with one teammate and four AI teammates and we can deliver something that seems like it feels like it's almost instantaneous. I mean, that's the outcome.

And so, I can't speak to what's going to happen to them, but I would suspect that they're really, really capable people and they're going to have to figure out how to use AI. I mean, we've had this discussion internally with our people for a long period of time and we say AI is nothing to be afraid of, right. AI is not going to replace people. But people with AI are going to replace people.

And so to your point, Saba, that if because of the nature of the smaller businesses, they're fragmented, they don't have the scale and ability to invest. Well, something's going to happen over a period of time. And so that they're going to be able to eventually compete and have a successful career, because they're going to find a path to being able to use AI and maybe that's with us. But I think that, I think there's a pretty profound shift coming in the industry.

Sabahat Khan

Analyst, RBC Dominion Securities, Inc.

Q

Thanks. And then one of the concepts we've heard is to hold or keep some of the benefits of AI companies or firms like yourself from trying to get more fixed big contracts, so you get to sort of keep more of that. Is that something you're trying to do? And what's been the customer reception to shifting more to a fixed bid model within this new construct?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

So, at this point, we haven't had those – we haven't needed to have those discussions, right because where we can deploy, we can play it on unit cost or fixed price. So, as I said, so we can test it and we can understand what that difference is going to look like. That will then enable us with that information to actually go have a client conversation.

And I, again, at the end of the day, if you can provide something that's much more compelling in terms of value, right, and you have a discussion about maybe doing it for a little bit low what they consider to be the market price or even more value and maybe a little above the market price, you will have an ability in that conversation to shift, right, the pricing model and shift from cost plus to a fixed price where you gain more certainty around that outcome.

And again, there's sort of – there are more creative ways to have that conversation, but we view it as it will eventually happen. It's like all industries it happens over time. It's when water runs downhill, you can only stop it for so long.

Michael S. Dudas

Analyst, Vertical Research Partners LLC

Q

Good morning. Mike Dudas, Vertical Research. Troy, the 18-month "head start" or the head start that you've had relative to the industry, as we look today, do you think that's going to be exponential in the leadership and how you're going to move forward while others are going to try to catch up? And within the disciplines of V&D advisory project management, where is the – we're seeing the first benefits from the AI investment helping revenue and profit growth in each of those divisions. Is it getting bringing more advisory work that you wouldn't have had otherwise because you can develop this? And how does that play through the rest of those divisions.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Do you want to take the...

A

Lara Poloni

President, AECOM

Yeah. I think the two of – Mike, to answer the question, that we're seeing great complementarity between two of them. So I'll give you an example. One of the advisory types of work that we do is due diligence. So, say for data centers, work for the hyperscalers where they want to rapidly move through assessment of candidate sites to rapidly build out these new data centers at scale. The tools that we're creating at the moment, I mean, some of those are in the due diligence space and they can rapidly assess a whole range of attributes of a site, the physical, the legal, the environmental, the social. So, you put those two together and there's a lot of interest already from many of the private and public sector clients who want to buy advisory services. I would say enhanced now with our AI tools.

A

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Yeah.

A

Michael S. Dudas

Analyst, Vertical Research Partners LLC

And maybe as a – following up on the markets, maybe you could share a little bit maybe from domestic Americas to international, what – how did 2025 look? How does the next 12 to 24 months from a customer demand standpoint? And is that 5% to 8% type of target leaning one way or the other? Are there certain markets that we should focus on that might be more helpful to achieve mid to upper range of those targets and others?

A

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Sure. So, I won't spend a lot of time on 2025, but I think 2025, you can see from our results is that the North American markets were healthier markets than the international markets and international markets were challenged. There was some that were – there were some markets that were good. For example, the UK marketplace was surprisingly a healthy market in 2025. But if you look across Australia and Asia and even in the Middle East, right, those markets were certainly not as healthy. And so you saw that in our results, right. The growth internationally was much more challenging and it was much better in North America.

A

As we look forward, there's been a lot of work that's been done and sort of repositioning those businesses and building up the opportunities over the course of this last year. And so, we sort of look at the UK as being a healthy market, but questionably healthy, right. And the reason is, is again, they have a large announced infrastructure ambition. The question is, how does that work when it's becoming clear that they either have a large budget deficit and they're either going to have to borrow or are they going to have to raise taxes? And those create more challenging environment. So, we're optimistic about the UK, but I would sort of wait and see. If we go to the Middle East and our Middle East business has positioned – repositioned very quickly and we've had a great, great backlog that we've won.

And so, we actually see that business being, I think, a good growth market over the course of this next year. Australia and Asia are still going to be a little bit challenging. But again, there's been some work that's been won

and it's in water and defense and less so in transportation because they've been coming off a large investment transportation investment cycle. And so that will be a tougher market as we look into the future.

And so, then you come back to North America, and North America, we see being healthy market, of course, again. There's speed bumps and we can't predict all of those speed bumps, right. We couldn't have predicted that there was going to be a government shutdown for 40 days. Now, I'll say the positive is, is that really didn't have a material impact on our business. Look, it had a little bit of an impact on collections and it had an impact on awards for the future. And so we expect that those awards will come over the next couple of quarters.

And we don't know whether there's going to be another shutdown on February 1, it's entirely possible. But we still see the conditions for investment and the need for investment infrastructure and the funding to be good in the North American markets, especially in the United States over the course of the next year. But it could be a little bit bumpy.

Michael S. Dudas

Analyst, Vertical Research Partners LLC

Q

Very good. Thank you.

Michael Feniger

Analyst, BofA Securities, Inc.

Q

Thank you. Mike Feniger, Bank of America. Troy, just back to the discussion with Blockbuster. You are giving an example of someone coming to a site with five engineers, AECOM rolling up with one and four AI, chatbots or helpful agents. I guess the question is, when you go to that customer, there seems like there's an advantage. But are you able to charge and bill for five or do you have to say, well, they're charging for five, we can do the same productivity but we can only charge you for 1.5 or 2? And I know, it's a theoretical example. It's just, I think...

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

It's a good example.

Michael Feniger

Analyst, BofA Securities, Inc.

Q

...basically the question, Troy is, basically, how much of this is a competitive edge or how much can you guys actually give back to the customer, how much flows down to AECOM?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

So, in that example, I think, we could get stuck in like very specific examples today, but I think you've given a really good example. There's a market price for what we do. So, I'm using – let's just use an environment where there is a market price for that. The customer reaction is, is they don't care how you deliver it to them. There's a market price and there's an expectation for what your deliverable is going to be.

So, if you can deliver that outcome and they're comfortable because they trust you as their advisor, they don't care how you delivered it. Now, if you can deliver it faster, and then think about it this way. There's a unique problem in the world of consulting, right. It's been the challenge for consulting and there's been billions of dollars invested in this, and it's knowledge sharing, right. A whole world is how do we create a knowledge sharing system so that you can bring all the knowledge of our organization to that particular customer problem?

Imagine what we've accomplished, right. We have access to all information publicly, right. We're building access to all of the information that AECOM has internally current and from our past colleagues that can be brought to the AI agent or agents to that individual and to the customer. You're solving this most significant problem in the consulting business that's existed for decades. That's value that you bring to customers. So, putting aside we have it priced, this is the market price for what you do. This is what my expectations are going to deliver to me, I'm willing to pay that. And if you deliver something that's more valuable and you deliver in a shorter period of time, you're going to be able to keep that benefit from doing that. That's the approach that we're taking.

Michael Feniger

Analyst, BofA Securities, Inc.

Q

That's helpful. And just on CM, maybe you could talk about like the timeline, what drove this decision? I think people feel like you guys are continuing to simplify the portfolio, but anything in the backlog or the underlying market conditions that might have played a part? And I think you said EPS neutral once all said is done, is there like a timeline that we should be considering around that?

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Yeah. Mike, we're going to be starting the process within the next week. Expect given similar-type transactions we've undertaken, it could be six months to nine months by the time it occurs. Now, in regards to rationale, it didn't have anything to do with the political outcomes that have happened in New York. This was a conversation we've had with the board many months ago once we understood what we had on our hands from a technology standpoint, specific to our design and engineering business.

And looking back and saying 93% of your business, you can apply this great technology where you are far ahead of anybody else in the curve. It represents 93% of our profit as well, but that 7% takes inordinate amount of time because it is a business that is a very good business, great cash flow generation business, but you have to be focused to make sure teams are within the risk swim lanes.

Those of you that have been part of the AECOM journey for longer than this management team has been responsible for it, will recall when you get out of those swim lanes, what happens to those results? And that's why the decision has been let's focus on the highest and best ROI opportunity that we have created for almost 93% of our business because the returns are truly, truly going to be special once we fully scaled it.

Michael Feniger

Analyst, BofA Securities, Inc.

Q

Appreciate it. And I'll just try to squeeze one more in. Lara, just there were some comments in the presentation about private markets, private funding and I'm just curious because I mean, I feel like in the US at least we really haven't seen that private-public partnership. I think that is something that gets talked about a little bit more in the international markets. But you guys made a couple of comments on the advisory side with private markets. Just curious, what are you seeing there? What is kind of changed, if anything, this offer, this inflection point where this is maybe part of the discussion and where AECOM fits in on this maybe paradigm shift with private-public?

Lara Poloni

President, AECOM

A

Sure, it's a great question. Thanks for that. We're seeing a few things. I mean, we obviously operate around the world. There are a couple of mature markets with respect to private investment in infrastructure and the sort of

frameworks to make that happen. So, the most mature of those are Canada, Australia, and to a lesser degree, the UK, although they've been constrained with funds, but they have been on the receiving end, particularly in the last decade of some very significant private financing for particularly road transportation and rail projects. So, that's quite mature.

I think what a lot of those private investment funds are saying to us at the moment is now seems like a great time in the US, with particularly a deregulated environment and an openness for, once again, for private sector participation. Yes, there were some P3 examples, they weren't necessarily the best examples across various sectors, but they're really saying that now might be the opportune time. And so we're having some great shared conversations around particular states or environments where we think there is most interest and appetite to progress some of those proposals, shall we say.

So, there's some great conversations and they're really interested in our advisory capability, backed by the tremendous technical expertise that we have. And now, very in-deep knowledge of many of those assets, whether you're talking about a road network, whether you're talking about a port asset or a rail network or even a lot of interest, no surprise to all of you in the world of data centers. So, we're really excited about that particular sort of group of clients and the opportunity to create a different sort of market for ourselves in co-creation with those funds.

Jose Sulca Flores

Analyst, Citigroup Global Markets, Inc.

Q

Hi. This is Jose Sulca from Citi. You guys have talked about the 20% margin exit rate by FY 2028. Maybe can you talk about how we should think about the contributions from the Americas and internationals for that? Obviously, we understand there's been a structural reason for that gap, historically speaking, but should we continue to expect that moving forward? Or should there be some change with the AI benefits flowing through? Thank you.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Yeah. You should expect a consistent uplift on margins between both our Americas and international, and you should also, at the same time, continue to expect that differentiation. And the differentiation is for the same rationale we have shared with you before, multiple countries, multiple regulations, statutory requirements and alike versus one geography, one support center for the entirety of it.

Jose Sulca Flores

Analyst, Citigroup Global Markets, Inc.

Q

Thank you.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Yeah.

Sabahat Khan

Analyst, RBC Dominion Securities, Inc.

Q

Hi. Just a quick follow-up, I guess. When you talk about I think you indicate in the AI buildup, it's been a bit differentiated versus your peers. As you think about investing it in the next few years, how should we think about maybe the, I mean, talk about a bit of a drag on margin that's being netted out, but is it going to be more SG&A?

Is it going to be CapEx? Is it more than? Does 200 people go to 400? More software? If you can just maybe detail out to the extent you can the build out plan.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Yeah. The build out you should think about, Saba, is there's a 60 to 70 bps of, of investment we're making. And like I said, in the 20% plus exit velocity for FY 2028, we have built in the required investments to get to it. So it is net of it.

From a OpEx versus CapEx, clearly, anything that's built into our margins is OpEx. Simply being put, that is more R&D, it is piloting and testing and CapEx starts once you have a minimum viable product, a model for a specific asset type. At that point, you are allowed to capitalize it. We don't expect our CapEx to shift materially based on what we're doing because a lot of that upfront cost is going through OpEx.

Sabahat Khan

Analyst, RBC Dominion Securities, Inc.

Q

And then just one last follow-up. Now, you said you've been testing this out for the last little while. Has there been any notable difference between public or private customer receptivity? Like how would a government customer think about a bit more of an automated approach versus private sector? Are there end markets that have been more receptive? Thank you.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Well, I think there's – I think there are difference between these two customers, I don't think it really relates to the adoption of AI. The fact of the matter is that private customers move faster, right? Their decision-making processes are used a little bit faster than public organizations. But, I mean, we see within certain governments and certain organizations of the government, we actually see a paradigm shift as well, where those decisions are being made a lot faster than they had been in the past.

Michael Feniger

Analyst, BofA Securities, Inc.

A

Gaur, maybe you could share on the financial profile how you think about the balance sheet or your position today? You've done a lot of good things with the last 12, 18 months. And then, on the capital allocation, you didn't make little acquisitions over the last several years. How does that look the next three to four years? Is it – is there something opportunistic in this AI realm or something that that would be outside the realm of the 60, 70 bps that you're looking at going forward? And finally, on the monetization of CM, if that possible, how's that impact on your allocation, if it's scale, quantum, accelerated or not, how do you think about that? Thank you.

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Mike, I'll answer all those different pieces, but always pivot back. There is no change in our capital allocation strategy. We want to be very redundant and consistent to that point. We're returns-based. What will drive the best outcome of sustained value creation for our shareholders, we will continue to undertake it. And as we sit here today, including the CM monetization and the sale proceeds, we expect to use that for repurchases.

And why I said based on everything we know right now, it's net neutral from an EPS standpoint after that sale and utilization of those proceeds for repurchases. As we look forward, including what we have done in FY 2025, I think

it's important for us to share. We have worked with every Big Three, Big Four consulting hyperscalers in terms specific in terms of generative technology, talk to them, spoken with them, tested with them. We've worked with various startups, hundreds of them.

We've created – we created a partnership a little over two years ago with a venture, and we brought them now in Q4 onto our platform to support our deployment, scaling and development on the generative standpoint. So, we're always on the lookout for anything that will continue to expand our competitive advantage, but no change in capital allocation.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Again, I'll make a point in addition to that is the thing that we see is the highest return opportunities are just obviously investments in organic growth and margins are in the business. Those are the highest return opportunities and they do go through our margin. And even when we think about expanding, I'll call it the AI-enabling team, we're also looking at – we've created unique ways so that we're building a talent pipeline, so that again, we'll be actually working to develop the pipeline of talent, so AI PhDs, in a way that we're actually working with them to build the novel research that will benefit our business.

And so, we're thinking about – you can sort of think of it that's organic. You might think of that, well, you could make an acquisition to acquire that. We're not going to stop looking at all of those avenues to continue to build this ability, this capacity to match up with the tremendous ability of the, again, the engineer and the sort of scientific community of AECOM.

Stephen Farkouh

Analyst, Truist Securities, Inc.

Q

Hi. This is Stephen Farkouh from Truist Securities. Obviously, we're early on in the process here. You spoke to about these AI models that there's a training process involves as you scale that business across or scale the AI across your business, how should we think about some of the challenges you're facing? And then going back on the previous question or your previous answer to the question, how do we think about your ability or the competitive nature to gain the talent of people that's involved in your AI process?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Yeah. I'll answer that in reverse order. At this point, I don't think we feel like we were concerned about our ability to go and find and attract AI talent. In terms of, again, what are you concerned about? The most significant concern we have, it's how we allocate management time, right.

The shortage that we have in the business and I think everybody has this is how do you find really capable leaders in management that have the time to devote all of their time to make this a success? And that gets back to we're constantly evaluating where we spend management time and where we deploy capital in the business to those highest returning opportunities. And so we're constantly trying to, again, find the right executives to add to the organization, like adding Jill Hudkins.

When she joined us, guess what she had? 100% of her time available. It's the biggest challenge that we have in order to build an advisory business. And so we're finding people and adding that capacity to build the business. It's the same thing when we look across everything we do. We have to go back to the process around construction management, gets to how do we create bandwidth for a management team to make this happen?

That also means not being distracted by things, right. And that's one of the reasons that we haven't focused on. There's a whole bunch of reasons. We haven't focused on M&A.

If we did a large acquisition, we would have no bandwidth for the next three years or four years to devote to this. And that would be our biggest problem and that's always been our largest concern is making sure that you have the leadership to actually make this happen.

Stephen Farkouh

Analyst, Truist Securities, Inc.

All right. Thank you.

Q

Adam Bubes

Analyst, Goldman Sachs & Co. LLC

Adam Bubes with Goldman Sachs again. You talked about the need for power to power data centers. You used the example of due diligence on data center projects. Just as you think about the end market mix evolution over the next five years, anything to call out where you're seeing backlog head today? You spoke about from a regional perspective, but wondering if we should expect end market mix to shift around over the next couple of years?

Q

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

I mean, in terms of the trends, they're quite consistent across the end markets. We continue to see our pipeline, it is up approximately 20% across all end markets. To your point, Adam, there are some, based on what Troy spoke earlier on certain international markets versus the US markets, which are very robust, continue to be very healthy at a global point.

A

One thing I will add to that is, when we look at the opportunity into the mid and long term, so let's say 5 years to 10 years out and how we will be able to leverage this technology, proprietary technology that we have created, how we will be able to extract value for our clients and deliver sustained value for our shareholders, one thing clearly stood out for us, our construction management business. There's – we don't see that same level of opportunity that we see here again. And that's why, to Troy's point, focusing in on highest and best use, greatest return on 90-plus percent of our business.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

And can I just get – let me add some details. So, think about it this way is, we have a really diverse portfolio of skills, right, as I said. So we're kind of number one in transportation, number one in water, number one in environmental engineering, number one in buildings. And so, it really means that we're exposed as the trends change, so there's no question that there's going to be a massive investment over the next 15 years, right, in generating power or electricity.

A

And so, are we exposed to that? Yes, right. And so the trends are going to vary across the world over the next decade. But the beauty of our organization is, is we're not exposed to one of those markets we're exposed to the right markets geographically. And we're exposed to all these various end markets. And so what typically happens is those skills are a little bit transferable as you go across those end markets, right. If there's a growth in transportation, well, then people on our buildings, in places or facilities business start to participate, right. When you have lots of rail work, there's lots of stations.

And so we really have a platform that sort of exposes us to participate in all of those trends. And we don't see any particular trend in the future that we don't have a meaningful way to participate in. Nor do we say, boy, if this doesn't work over the next five years for us, we have a problem. We're not just like data centers, that's what's going to mean – that's meaningful for us. Sure, it's meaningful for us but because of our portfolio effect, all of this investment infrastructure is meaningful and we have the ability to adjust.

Steven Fisher

Analyst, UBS Securities LLC

Q

Thanks. Just wanted to ask about the guidance for fiscal 2026. In terms of the organic growth rate, that's 6% to 8%. Just curious how you approached it in terms of it's obviously a 2% window. I think, previous years you've had 3%, maybe that's not that big a difference. How much of this is a increased level of specification because you don't have construction management in there? Is that generally being a bigger uncertainty to factor in, or is there something about this year that makes it a little more confident to have a narrower range?

Gaurav Kapoor

Chief Financial & Operations Officer, AECOM

A

Now good question, Steve. I'll answer the last part first, which is CM is not a contributor to that more concise range of 6% to 8% versus 5% to 8% what we have said on an organic level. What gives us the confidence is 20 quarters in a row of book to burn of 1x or better four quarters in a row, including entirety of FY 2025 of 1.1 book to burn while delivering at the peer lead level from an organic NSR growth standpoint.

When we look at our capture rates, they continue to be elevated. When we look at our pipeline collectively, at the enterprise level for our design, engineering, advisory and program management business, they continue to be very healthy.

And last but not least, if you look at our performance, we have delivered at that 6%. So, when we looked at all of those measures, it gave us the confidence supported by especially PLN second half of 2026, where we will be rolling out a lot of these. And the technology's available, right? It's a matter of now just introducing it to all the other different asset types in the different end markets and geographies we operate in. It's going to become more and more expansive. It's going to provide a greater competitive edge to our teams across the globe where they can now take their legacy technical prowess. As Troy said, number one, across all our end markets globally and now be augmented by with this great competitive differentiator. So, combined all those things, it gives us a lot of confidence as we step in FY 2026.

Steven Fisher

Analyst, UBS Securities LLC

Q

Thank you.

Michael Feniger

Analyst, BofA Securities, Inc.

Q

Thank you. And just on 2026, Troy you made a comment, I just want to hopefully clear the deck. I think you said with the government shutdowns, should be expecting a little volatility in the first quarter to onwards? Is that more a timing issue? Just wanted to kind of get a sense of that. And obviously, the reauthorization is coming up next year. Just how do you see or your clients start to manage this as we kind of seems like it's a little bit bumpy before we get maybe some of that visibility. That's showing up in the conversations out there.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Yeah. No, it's fair. So, don't read too much, right? We don't have any insight into what's going to happen. But what we did noticed is that we noticed at the end of the fourth quarter in a sort of in anticipation of a shutdown that we didn't see the level of awards that we typically again, I'm talking US federal government awards, nothing else. We didn't see the level of awards that we typically see in the fourth quarter. And so yeah, it had a muted impact and we expect that those awards would come over the next couple of quarters because that work is still part of the agenda that needs to be done for the US federal government.

If there is another shutdown in February of this year, yeah, that might have an impact. But again, we can't predict it. And so, that's why ultimately, remember this, that's why we give a range because there are things that we can't anticipate to the positive and to negatives during the course of the year. When we build up our plan for the year, we sort of look at it and start with from the bottoms up, right? Starting with what the work that we're seeing in the pipe that we have our confidence around when and we kind of build up to come up with a confidence around that, that particular range. But that's why we give a range because they'll be speed bumps throughout the year.

Natalia Bak

Analyst, Citigroup Global Markets, Inc.

Q

Hi. My name's Natalia, associate on Andy Kaplowitz's team at Citi. Just curious about your advisory in AI business. I know we talked a lot about it, but could you see it evolving more into, let's say, SaaS-like characteristics or offerings for your clients or digital twins or anything of that nature?

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

No. We're not getting into the SaaS business.

Natalia Bak

Analyst, Citigroup Global Markets, Inc.

Q

Okay.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

A

Yeah. It's just we went through a period of experimentation years ago and we did try it. And what we found is that in our industry, we're just not equipped to be successful. We might be able to build tools, and we even built some tools that are powered by AI that we try to take it to our clients and we just uncovered that we don't have the sales force, we don't have the ability to kind of follow and support it with our clients or our customers. And so it's not something that works, industry. And we discovered that it didn't work for us. So we've turned our attention to making sure that we build an organization that can deliver the same outcomes, what our clients are asking us to do for them, but we just do it a different way.

W. Troy Rudd

Chairman, Chief Executive Officer & Director, AECOM

Well, great. It seems like we have no more questions. So, again, I'd say thank you to everybody for spending your morning with us. We do appreciate the conversation and the questions. And I would imagine that we have given you a lot to digest and we'll continue to have this conversation over the coming months as we continue to see the benefit of what we're doing across our business. So, thank you all for coming.

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