



## Press Release

### Media Contact:

Brendan Ranson-Walsh  
Senior Vice President, Global Communications  
1.213.996.2367  
[Brendan.Ranson-Walsh@aecom.com](mailto:Brendan.Ranson-Walsh@aecom.com)

### Investor Contact:

Will Gabrielski  
Senior Vice President, Finance & Investor Relations  
1.213.593.8208  
[William.Gabrielski@aecom.com](mailto:William.Gabrielski@aecom.com)

## AECOM affirms its commitment to value creation as a leading Professional Services infrastructure consulting firm

- Unveils long-term financial framework highlighted by high-returning organic growth, a substantial margin expansion opportunity, and double-digit annual adjusted EPS and free cash flow per share growth
- Reaffirms commitment to its returns-focused capital allocation policy that prioritizes investments in organic growth followed by share repurchases and dividends
- Expects to achieve a return on invested capital of 25%+, driven by 100%+ conversion of adjusted net income to free cash flow and delivering on its 17%+ long-term segment adjusted operating margin target
- Affirms fiscal 2024 guidance including 13% and 20% adjusted EBITDA and adjusted EPS at the mid-points of the ranges, supported by a record design backlog in FY'23 and strong growth across markets

**DALLAS (December 11, 2023)** – AECOM (NYSE:ACM), the world's trusted infrastructure consulting firm, will host an Investor Day today at 10 a.m. Eastern Time, during which it will unveil the details of its commitment to deliver on its strategy and financial commitments as a leading Professional Services infrastructure consulting firm.

### Key Financial Highlights and Targets

In addition to its guidance for fiscal 2024, AECOM has established a long-term financial framework that includes the following:

	<u>FY'24 Guidance</u>	<u>Long-Term Annual Growth Targets</u>
<b>Organic NSR<sup>1</sup> Growth</b>	+8 - 10%	+5 - 8%
<b>Segment Adjusted<sup>2</sup> Operating Margin<sup>3</sup> Expansion</b>	+90 bps to 15.6%	20 - 30+ bps 17%+ Target
<b>Adjusted<sup>2</sup> EPS and Free Cash Flow<sup>4</sup> per Share Growth</b>	20%*	Double-Digits
<b>Free Cash Flow<sup>4</sup> Conversion of Adj.<sup>2</sup> Net Income</b>	100%+	100%+
<b>Return on Invested Capital<sup>5</sup></b>	~20%	25%+
<b>Per Share Dividend Growth</b>	22%	Double-Digit Increase

\* Percentage refers to only adjusted EPS.

### Key Themes of the Event

- By executing on its *Think and Act Globally* strategy, the Company has created an industry leader as evidenced by its 13% design backlog growth outperformance in FY'23 and an expected 20% adjusted<sup>2</sup> EPS CAGR from FY'20 to FY'24.
- The Company's Day 1, Day 2, and Day 3 strategy that builds on its technical capabilities with program management and advisory services has enhanced the value proposition for clients, resulted in a record win rate, including on large pursuits, and has more than doubled the addressable share of profit opportunity on a project.
  - The Company has built an enviable leadership position as the top ranked global transportation, environmental, and facilities design firm by Engineering News-Record, and number three ranked water firm with approximately 24% of its NSR<sup>1</sup> from the water market.
  - Program Management NSR has more than doubled over the last three years and has been instrumental in many of its marquee wins, that have enhanced visibility and expanded its long-term earnings power while accelerating organic growth.
- Investments in these markets are accelerating and driven by multi-decade secular growth drivers including:

- Global Infrastructure Investment
- Investments in the Energy Transition
- Investments in Sustainability and Resilience
- The Company is leveraging key enablers, including its scale, capacity to invest and culture that fosters collaboration and innovation, to accelerate its digital strategy, which includes:
  - Leveraging AECOM’s technical expertise and experience to build digital libraries that automate and standardize key elements of a design.
  - The Company believes it can automate 5% to 15% of its hours overtime, creating a delivery advantage and capacity to grow.
  - Utilizing proprietary digital tools such as PlanEngage™ to create a unique and enriching client experience that results in a strong delivery moat and extends its competitive advantage.
- Reflecting the next phase of its value creation journey, the Company unveiled a long-term financial framework that features continued strong organic growth, a commitment to further expanding margins, strong free cash flow, and deploying capital through its returns-based capital allocation policy, resulting in a substantial increase in its already industry-leading return on invested capital.
  - This framework reflects the Company’s goal of achieving a best-in-class financial profile and competitive advantages that mirror the highest-value Professional Services and consulting firms.

“Our outperformance over the last three years is the result of the competitive advantage we have built through our *Think and Act Globally* strategy, which has enabled us to deliver industry-leading shareholder value creation,” said Troy Rudd, AECOM’s chief executive officer. “We have created a sustainable competitive advantage through our technical expertise, expanded addressable market in program management, advisory and digital, and a culture of collaboration to win the highest value pursuits. This positions us to deliver outsized growth as the secular megatrends are creating unprecedented long-term funding commitments in our core markets. The strength of our new long-term financial framework is a testament to our teams, the competitive advantages of our team, and elevates our ambitions beyond our industry to put us on par with the highest value best-in-class Professional Services Consulting firms.”

“With record levels of funding entering our markets, we are ideally suited to deliver as leaders in the markets in which we operate and have a strategy built on collaboration to win our highest value pursuits,” said Lara Poloni, AECOM’s president. “AECOM is already home to some of the most talented technical professionals in the industry, and through this deep expertise, combined with our investments in growth, we will further extend our competitive advantages and create exceptional value for our clients, employees and shareholders.”

“Our transformation into a higher-margin, lower-risk Professional Services firm is delivering superior value for our shareholders and consistently strong financial performance,” said Gaurav Kapoor, AECOM’s chief financial and operations officer. “The benefits of our consulting business model are evident in our margins, return on invested capital, and consistently strong free cash flow conversion.”

The live webcast, presentation, and a replay will be available online at <http://investors.aecom.com>.

<sup>1</sup> Revenue, less pass-through revenue; growth rates are presented on a constant-currency basis.

<sup>2</sup> Excludes the impact of certain items, such as restructuring costs, amortization of intangible assets, non-core AECOM Capital and other items. See Regulation G Information for a reconciliation of non-GAAP measures to the comparable GAAP measures.

<sup>3</sup> Reflects segment operating performance, excluding AECOM Capital and G&A.

<sup>4</sup> Free cash flow is defined as cash flow from operations less capital expenditures, net of proceeds from disposals of property and equipment.

<sup>5</sup> Return on invested capital, or ROIC, reflects continuing operations and is calculated as the sum of adjusted net income as presented in the Company’s Regulation G Information and adjusted interest expense, net of interest income, divided by average quarterly invested capital as defined as the sum of attributable shareholder’s equity and total debt, less cash and cash equivalents.

## About AECOM

AECOM (NYSE: ACM) is the world’s trusted infrastructure consulting firm, delivering professional services throughout the project lifecycle – from advisory, planning, design and engineering to program and construction management. On projects spanning transportation, buildings, water, new energy, and the environment, our public- and private-sector clients trust us to solve their most complex challenges. Our teams are driven by a common purpose to deliver a better world through our unrivaled technical and digital expertise, a culture of equity, diversity and inclusion, and a commitment to environmental, social and governance priorities. AECOM is a Fortune 500 firm and its Professional Services business had revenue of \$14.4 billion in fiscal year 2023. See how we are delivering sustainable legacies for generations to come at [aecom.com](http://aecom.com) and @AECOM.

## **Forward-Looking Statements**

All statements in this communication other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including any statements of the plans, strategies and objectives for future operations, profitability, strategic value creation, risk profile and investment strategies, and any statements regarding future economic conditions or performance, and the expected financial and operational results of AECOM. Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. Important factors that could cause our actual results, performance and achievements, or industry results to differ materially from estimates or projections contained in our forward-looking statements include, but are not limited to, the following: our business is cyclical and vulnerable to economic downturns and client spending reductions; limited control over operations that run through our joint venture entities; liability for misconduct by our employees or consultants; failure to comply with laws or regulations applicable to our business; maintaining adequate surety and financial capacity; potential high leverage and inability to service our debt and guarantees; ability to continue payment of dividends; exposure to political and economic risks in different countries, including tariffs; currency exchange rate and interest fluctuations; retaining and recruiting key technical and management personnel; legal claims; inadequate insurance coverage; environmental law compliance and adequate nuclear indemnification; unexpected adjustments and cancellations related to our backlog; partners and third parties who may fail to satisfy their legal obligations; additional risks associated with AECOM Capital’s real estate development projects; managing pension cost; cybersecurity issues, IT outages and data privacy; risks associated with the expected benefits and costs of the sale of our Management Services and self-perform at-risk civil infrastructure, power construction and oil and gas construction businesses, including the risk that any contingent purchase price adjustments from those transactions could be unfavorable and result in lower aggregate cash proceeds and any future proceeds owed to us under those transactions could be lower than we expect; as well as other additional risks and factors that could cause actual results to differ materially from our forward-looking statements set forth in our reports filed with the Securities and Exchange Commission. Any forward-looking statements are made as of the date hereof. We do not intend, and undertake no obligation, to update any forward-looking statement.

## **Non-GAAP Financial Information**

This press release contains financial information calculated other than in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company believes that non-GAAP financial measures such as adjusted EPS, adjusted EBITDA, adjusted net income, segment adjusted operating margin, net service revenue (NSR) and free cash flow provide a meaningful perspective on its business results as the Company utilizes this information to evaluate and manage the business. We use adjusted EBITDA and adjusted EPS to exclude the impact of certain items, such as amortization expense and taxes to aid investors in better understanding our core performance results. We use free cash flow to present the cash generated from operations after capital expenditures to maintain our business. We present NSR to exclude pass-through subcontractor costs from revenue to provide investors with a better understanding of our operational performance. We present adjusted operating margin to reflect segment operating performance of our Americas and International segments, excluding AECOM Capital and G&A. We also use constant-currency, which is calculated by conforming the current period results to the comparable period exchange rates.

Our non-GAAP disclosure has limitations as an analytical tool, should not be viewed as a substitute for financial information determined in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of these non-GAAP measures is found in the Regulation G Information tables at the back of this release. The Company is unable to reconcile certain of its non-GAAP financial guidance and long-term financial targets due to uncertainties in these non-operating items as well as other adjustments to net income. The Company is unable to provide a reconciliation of its guidance for NSR to GAAP revenue because it is unable to predict with reasonable certainty its pass-through revenue.

**AECOM**  
**Regulation G Information**  
(in millions, except per share data)

**FY2024 GAAP EPS Guidance based on Adjusted EPS Guidance**

(all figures approximate)

	<b>Fiscal Year End 2024</b>
GAAP EPS guidance	\$3.85 to \$4.16
Adjusted EPS excludes:	
Amortization of intangible assets	\$0.12
Amortization of deferred financing fees	\$0.04
Restructuring expenses	\$0.51 to \$0.36
Tax effect of the above items	(\$0.17) to (\$0.13)
Adjusted EPS guidance	\$4.35 to \$4.55

**FY2024 GAAP Net Income from Continuing Operations Guidance based on Adjusted EBITDA Guidance**

(in millions, all figures approximate)

	<b>Fiscal Year End 2024</b>
GAAP net income from continuing operations guidance	\$591 to \$624
Net income attributable to noncontrolling interest from continuing operations	(\$60) to (\$50)
Net income attributable to AECOM from continuing operations	\$531 to \$574
Adjusted net income attributable to AECOM from continuing operations excludes:	
Amortization of intangible assets	\$17
Amortization of deferred financing fees	\$5
Restructuring expenses	\$70 to \$50
Tax effect of the above items	(\$23) to (\$18)
Adjusted net income attributable to AECOM from continuing operations	\$600 to \$628
Adjusted EBITDA excludes:	
Depreciation	\$152
Adjusted interest expense, net	\$115
Tax expense, including tax effect of the above items	\$198 to \$210
Adjusted EBITDA guidance	\$1,065 to \$1,105