

Risk Factors Comparison 2024-11-19 to 2023-11-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

We operate in a changing global environment that involves numerous known and unknown risks and uncertainties that could materially adversely affect our operations. The risks described below highlight some of the factors that have affected, and in the future could affect our operations. Additional risks we do not yet know of or that we currently believe are immaterial may also affect our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be materially adversely affected. Risks Related to Our Markets, Customers and Business Our industry is highly competitive, and we may be unable to compete effectively, which could result in reduced revenue, profitability and market share. We are engaged in a highly competitive business. The markets we serve are highly fragmented and we compete with a large number of regional, national and international companies. These competitors may have greater financial and other resources than we do. Others are smaller and more specialized, and concentrate their resources in particular areas of expertise. The extent of our competition varies according to the particular markets and geographic area. In addition, the technical and professional aspects of some of our services generally do not require large upfront capital expenditures and provide limited barriers against new competitors. The degree and type of competition we face is also influenced by the type and scope of a particular project. Our clients make competitive determinations based upon qualifications, experience, performance, reputation, technology, customer relationships, price and ability to provide the relevant services in a timely, safe and cost- efficient manner. Increased competition may result in our inability to win bids for future projects, increased margin pressure and loss of revenue, profitability and market share. Our ability to compete in our industry will be harmed if we do not retain the continued services of our senior management and key technical personnel. We rely heavily upon the expertise and leadership of our people. There is strong competition for qualified technical and management personnel in the sectors in which we compete. We may not be able to continue to attract and retain qualified technical and management personnel, such as engineers, architects and project managers, who are necessary for the development of our business or to replace qualified personnel in the timeframe demanded by our clients. Also, some of our personnel hold government granted eligibility that may be required to obtain government projects. Loss of the services of, or failure to recruit, senior management or key technical personnel could impact the long- term performance of the Company and limit our ability to successfully complete existing projects and compete for new projects. Demand for our services is cyclical and vulnerable to sudden economic downturns and reductions in government and private industry spending. If economic conditions remain uncertain and / or weaken, our revenue and profitability could be adversely affected. Demand for our services is cyclical and may be vulnerable to sudden economic downturns, interest rate fluctuations and reductions in government and private industry spending that result in clients delaying, curtailing or canceling proposed and existing projects. Where economies are weakening, our clients may demand more favorable pricing or other terms while their ability to pay our invoices or to pay them in a timely manner may be adversely affected. Our government clients may face budget deficits that prohibit them from funding proposed and existing projects. If economic conditions remain uncertain and / or weaken and / or government spending is reduced, our revenue and profitability could be materially adversely affected. We depend on long- term government contracts, some of which are only funded on an annual basis. If appropriations for funding are not made in subsequent years of a multiple- year contract, we may not be able to realize all of our anticipated revenue and profits from that project. A substantial portion of our revenue is derived from contracts with agencies and departments of national, state, and local governments. During fiscal **2024 and 2023** ~~and 2022~~, approximately **46 % and 43 %** ~~and 41 %~~, respectively, of our revenue was derived from contracts with government entities. Most government contracts are subject to such government' s budgetary approval process. Legislatures typically appropriate funds for a given program on an annual basis, even though contract performance may take more than one year. In addition, public- supported financing such as state and local municipal bonds may be only partially raised to support existing infrastructure projects. As a result, at the beginning of a program, the related contract is only partially funded, and additional funding is normally committed only as appropriations are made in each fiscal year. These appropriations, and the timing of payment of appropriated amounts, may be influenced by, among other things, the state of the economy, an extended government shutdown, competing priorities for appropriation, changes in administration or control of legislatures, and the timing and amount of tax receipts and the overall level of government expenditures. Similarly, the impact of an economic downturn on governments may make it more difficult for them to fund infrastructure projects. If appropriations are not made in subsequent years on our government contracts, then we will not realize all of our potential revenue and profit from those contracts. If we are unable to win or renew government contracts during regulated procurement processes, our operations and financial results would be harmed. Government contracts are awarded through a regulated procurement process. The federal government has awarded multi- year contracts with pre- established terms and conditions, such as indefinite delivery contracts, that generally require those contractors that have previously been awarded the indefinite delivery contract to engage in an additional competitive bidding process before a task order is issued. The federal government has also awarded federal contracts based on a low- price, technically acceptable criteria emphasizing price over qualitative factors, such as past performance. As a result of these competitive pricing pressures, our profit margins on future federal contracts may be reduced and may require us to make sustained efforts to reduce costs in order to realize profits under government contracts. If we are not successful in reducing the amount of costs we incur, our profitability on government contracts will be negatively impacted. In addition, we may not be awarded government contracts because of existing government policies designed to protect small businesses and under- represented minority contractors. Our inability to win or renew government contracts during regulated procurement processes

could harm our operations and reduce our profits and revenues. Governmental agencies may modify, curtail or terminate our contracts at any time prior to their completion and, if we do not replace them, we may suffer a decline in revenue. Most government contracts may be modified, curtailed or terminated by the government either at its discretion or upon the default of the contractor. If the government terminates a contract at its discretion, then we typically are able to recover only costs incurred or committed, settlement expenses and profit on work completed prior to termination, which could prevent us from recognizing all of our potential revenue and profits from that contract. In addition, for some assignments, the U. S. government may attempt to “insource” the services to government employees rather than outsource to a contractor. If a government terminates a contract due to our default, we could be liable for excess costs incurred by the government in obtaining services from another source.

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

Risks Related to our Capital Structure

The agreements governing our debt contain a number of restrictive covenants which will limit our ability to finance future operations, acquisitions or capital needs or engage in other business activities that may be in our interest. The Credit Agreement (defined below) and the indentures governing our debt contain a number of significant covenants that impose operating and other restrictions on us and our subsidiaries. Such restrictions affect or will affect and, in many respects, limit or prohibit, among other things, our ability and the ability of some of our subsidiaries to:

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

In addition, our Credit Agreement requires us to comply with a consolidated interest coverage ratio and consolidated leverage ratio. Our ability to comply with these ratios may be affected by events beyond our control. These restrictions could limit our ability to plan for or react to market or economic conditions or meet capital needs or otherwise restrict our activities or business plans, and could adversely affect our ability to finance our operations, acquisitions, investments or strategic alliances or other capital needs or to engage in other business activities that would be in our interest. A breach of any of these covenants or our inability to comply with the required financial ratios could result in a default under our debt instruments. If an event of default occurs, our creditors could elect to:

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

If we were unable to repay or otherwise refinance these borrowings when due, the applicable creditors could sell the collateral securing some of our debt instruments, which constitutes substantially all of our the Company’s and certain of its domestic and foreign, wholly owned subsidiaries’ assets. Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly. Borrowings under our Credit Agreement are at variable rates of interest and expose us to interest rate risk. In March 2022, the Federal Reserve began and it has continued, and is expected to continue, to raise interest rates in an effort to curb inflation. As interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. A 1.00% increase in such interest rates would increase total interest expense under our Credit Agreement for the year ended September 30, 2023-2024 by \$ 8-9.6 million, including the effect of our interest rate swap and interest rate cap agreements. We may, from time to time, enter into additional interest rate swaps-derivatives that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps-derivatives with respect to all of our variable rate indebtedness, and any swaps-derivatives we enter into may not fully mitigate our interest rate risk and could be subject to credit risk themselves. If we are unable to continue to access credit on acceptable terms, our business may be adversely affected. The changing nature of the global credit markets could make it more difficult for us to access funds, refinance our existing indebtedness, enter into agreements for uncommitted debt bond facilities and new indebtedness, replace our existing revolving and term credit agreements or obtain funding through the issuance of our securities. We use credit facilities to support our working capital and other needs. There is no guarantee that we can continue to renew our credit facility on terms as favorable as those in our existing credit facility and, if we are unable to do so, our costs of borrowing and our business may be adversely affected.

Risks Related to our International Operations

Our operations worldwide expose us to legal, political and economic risks in different countries as well as currency exchange rate fluctuations and impacts from inflation that could harm our business and financial results. During fiscal 2023-2024, revenue attributable to our services provided outside of the United States to non-U. S. clients was approximately 29-27% of our total revenue. There are risks inherent in doing business internationally, including:

- the ongoing conflict between Russia and Ukraine, which has resulted in the imposition by the U. S. and other nations of restrictive actions against Russia, Belarus and certain banks, companies and individuals;
- imposition of governmental controls

and changes in laws, regulations or policies; • political and economic instability, including in the Middle East; • civil unrest, acts of terrorism, force majeure, war, or other armed conflict; • changes in U. S. and other national government trade policies affecting the markets for our services, such as retaliatory tariffs between the United States and China; • political unrest in Hong Kong where we have a significant presence; • impact of **health crises and the their Covid-19 pandemic and its** related economic impacts; • increases in the consumer price index and interest rates; • changes in regulatory practices, tariffs and taxes; • potential non-compliance with a wide variety of laws and regulations, including anti-corruption, export control and anti-boycott laws and similar non-U. S. laws and regulations; • changes in labor conditions; **19-17** • logistical and communication challenges; and • currency exchange rate fluctuations, devaluations and other conversion restrictions. Any of these factors could have a material adverse effect on our business, results of operations or financial condition. We operate in many different jurisdictions and we could be adversely affected by legislative actions of governments, as well as violations of the U. S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws. The U. S. Foreign Corrupt Practices Act (FCPA) and similar worldwide anti-corruption laws, including the U. K. Bribery Act of 2010, generally prohibit companies and their intermediaries from making improper payments to non-U. S. officials for the purpose of obtaining or retaining business. Our internal policies mandate compliance with these anti-corruption laws, including the requirements to maintain accurate information and internal controls which may fall within the purview of the FCPA, its books and records provisions or its anti-bribery provisions. We operate in many parts of the world that have experienced governmental corruption to some degree; and, in some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Despite our training and compliance programs, we cannot assure that our internal control policies and procedures always will protect us from reckless or criminal acts committed by our employees or agents. In addition, from time to time, government investigations of corruption ~~in construction-related industries~~ affect us and our peers. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations or financial condition. The Building Safety Act **(the “ Act ”)**, the primary legislation which introduces a new framework for the regulation of the UK construction industry, became law on April 28, 2022 ~~with certain provisions coming into force on June 28~~. **While limited parts of the Act have not yet been enacted**, 2022 and **further remaining provisions and secondary legislation to follow is expected, most of the provisions are now in force**. The Act extends liability periods for some historical defects in residential properties completed prior to 2022, creates a new government regulatory body responsible for building safety and new legal obligations regarding building safety, reallocates the risk related to design and construction, and requires the development of a more stringent regulatory regime for select buildings. The new legislation ~~may has result~~ **resulted** in new risk, regulatory and cost challenges for our United Kingdom and global operations. Any of these events could adversely affect our United Kingdom, European operations and overall business and financial results. We work in international locations where there are high security risks, which could result in harm to our employees and contractors or material costs to us. Some of our services are performed in high-risk locations, such as the Middle East, Africa, and Southeast Asia, where the location is suffering from political, social or economic problems, or war or civil unrest. In those locations where we have employees or operations, we may incur material costs to maintain the safety of our personnel. Despite these precautions, the safety of our personnel in these locations may continue to be at risk. Acts of terrorism and threats of armed conflicts in or around various areas in which we operate could limit or disrupt markets and our operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets. Risks Related to Our Operations and Technology Many of our project sites are inherently dangerous workplaces. Failure to maintain safe work sites and equipment could result in environmental disasters, employee deaths or injuries, reduced profitability, the loss of projects or clients and possible exposure to litigation. Our project sites often put our employees and others in close proximity with mechanized equipment, moving vehicles, chemical and manufacturing processes, and highly regulated materials. On some project sites, we may be responsible for safety and, accordingly, we have an obligation to implement effective safety procedures. If we fail to implement these procedures or if the procedures we implement are ineffective, we may suffer the loss of or injury to our employees, as well as expose ourselves to possible litigation. As a result, our failure to maintain adequate safety standards and equipment could result in reduced profitability, **harm to our reputation**, or the loss of projects or clients, and could have a material adverse impact on our business, financial condition, and results of operations. ~~Cybersecurity-18~~ **Cybersecurity** threats, information technology systems outages and data privacy incidents could adversely harm our business. We may experience errors, outages, or delays of service in our information technology systems, which could significantly disrupt our operations, impact our clients and employees, damage our reputation, and result in litigation and regulatory fines or penalties. ~~20~~ **Various** privacy and securities laws pertaining to client and employee data usage require us to manage and protect sensitive and proprietary information. For example, the European’s Union General Data Protection Regulation **may apply extends the scope of the European Union data protection laws to all companies processing data of European Union residents, regardless of even if** the company’s location **is not located in the European Union**. In addition, the California Consumer Privacy Act increased the penalties for data privacy incidents. We face threats to our information technology systems, including unauthorized access, computer hackers, computer viruses, malicious code, cyber-attacks, **ransomware, data extortion**, phishing and other cybersecurity problems and system disruptions, including possible unauthorized access to our and our clients’ proprietary information. ~~We rely on~~ **Our cybersecurity program is designed to use** industry-accepted security measures and technology to securely maintain all proprietary information on our information technology systems. In the ordinary course of business, we have been targeted by malicious cyber-attacks. Anyone who circumvents our security measures could misappropriate proprietary information, including information regarding us, our employees and / or our clients, or cause interruptions in our operations. Although we devote ~~significant~~ **considerable** resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect and respond to cybersecurity incidents, there can be no assurance that our efforts will prevent these threats. As these security threats continue to evolve, we may be required to devote additional

resources to help protect, prevent, detect and respond against to system disruptions and security-cybersecurity breaches incidents. We also rely in part on third- party software and information technology vendors to run our critical accounting, project management and financial information systems. We depend on our software and information technology vendors to provide long- term software and hardware support for our information systems. Our software and information technology vendors may decide to discontinue further development, integration or long- term software and hardware support for our information systems, in which case we may need to abandon one or more of our current information systems and migrate some or all of our accounting, project management and financial information to other systems, thus increasing our operational expense, as well as disrupting the management of our business operations. Any of these events could damage our reputation and have a material adverse effect on our business, financial condition, results of operations and cash flows. Furthermore, while we maintain insurance that specifically designed to covers- cover these attacks events, our coverage may not sufficiently cover all types of losses or claims that may arise or be subject to exclusions. Risks Related to Contracts and Joint Ventures Our business and operating results could be adversely affected by losses under fixed- price or guaranteed maximum price contracts. Fixed- price contracts require us to either perform all work under the contract for a specified lump- sum or to perform an estimated number of units of work at an agreed price per unit, with the total payment determined by the actual number of units performed. In addition, we may enter guaranteed maximum price contracts where we guarantee a price or delivery date. For the year ended September 30, 2023-2024, our revenue was comprised of 43-40%, 34-37%, and 23 % cost- reimbursable, guaranteed maximum price, and fixed- price contracts, respectively. Fixed- price contracts expose us to a number of risks not inherent in cost- reimbursable contracts, including underestimation of costs, ambiguities in specifications, unforeseen increases in or failures in estimating the cost of raw materials, equipment or labor, increased costs as a result of inflation, problems with new technologies, delays beyond our control, fluctuations in profit margins, failures of subcontractors to perform and economic or other changes that may occur during the contract period. United States and foreign trade policy actions and tariffs such as the 2018 tariffs on steel and aluminum imports in the United States could affect the profitability of our fixed- price construction projects. Losses under fixed- price or guaranteed contracts could be substantial and adversely impact our results of operations. 21 Our- 19 Our failure to meet contractual schedule or performance requirements that we have guaranteed could adversely affect our operating results. In some circumstances, we can incur liquidated or other damages if we do not achieve project completion by a scheduled date. If we or an entity for which we have provided a guarantee fails to complete the project as scheduled and the matter cannot be satisfactorily resolved with the client, we may be responsible for cost impacts to the client resulting from any delay or the cost to complete the project. Our costs generally increase from schedule delays and / or could exceed our projections for a particular project. In addition, project performance can be affected by a number of factors beyond our control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of vendor materials, changes in the project scope of services requested by our clients, industrial accidents, environmental hazards, labor disruptions, pandemics including the current coronavirus, and other factors. Material performance problems for existing and future contracts could cause actual results of operations to differ from those anticipated by us and also could cause us to suffer damage to our reputation within our industry and client base. We may not be able to maintain adequate surety and financial capacity necessary for us to successfully bid on and win contracts. In line with industry practice, we are often required to provide surety bonds, standby letters of credit or corporate guarantees to our clients that indemnify them should our affiliate fail to perform its obligations under the terms of a contract. As of September 30, 2023-2024 and September 30, 2022-2023, we were contingently liable for \$ 4-5. 6-1 billion and \$ 4. 4-6 billion, respectively, in issued surety bonds primarily to support project execution and we had outstanding letters of credit totaling \$ 938. 9 million and \$ 883. 3 million and \$ 644. 7 million, respectively. A surety may issue a performance or payment bond to guarantee to the client that our affiliate will perform under the terms of a contract. If our affiliate fails to perform under the terms of the contract, then the client may demand that the surety or another corporate affiliate provide the contracted services. In addition, we would typically have obligations to indemnify the surety for any loss incurred in connection with the bond. If a surety bond or a letter of credit is required for a particular project and we are unable to obtain an appropriate surety bond or letter of credit, we may not be able to pursue that project, which in turn could have a material adverse impact on our business, financial condition, results of operations, and cash flows. We conduct a portion of our operations through joint venture entities, over which we may have limited control. Approximately 14 % of our fiscal 2023-2024 revenue was derived from our operations through joint ventures or similar partnership arrangements, where control may be shared with unaffiliated third parties. As with most joint venture arrangements, differences in views among the joint venture participants may result in delayed decisions or disputes. We also cannot control the actions of our joint venture partners and we typically have joint and several liability with our joint venture partners under the applicable contracts for joint venture projects. These factors could potentially adversely impact the business and operations of a joint venture and, in turn, our business and operations. Operating through joint ventures in which we are minority holders results in us having limited control over many decisions made with respect to projects and internal controls relating to projects. Sales of our services provided to our unconsolidated joint ventures were approximately 2 % of our fiscal 2023-2024 revenue. We generally do not have control of these unconsolidated joint ventures. These joint ventures may not be subject to the same requirements regarding internal controls and internal control over financial reporting that we follow. As a result, internal control problems may arise with respect to these joint ventures, which could have a material adverse effect on our financial condition and results of operations and could also affect our reputation. We participate in joint ventures where we provide guarantees and may be adversely impacted by the failure of the joint venture or its participants to fulfill their obligations. We have investments in and commitments to joint ventures with unrelated parties, including in connection with construction services, government services, and the investment activities of ACAP. For example, real estate and infrastructure joint ventures are inherently risky and may result in future losses since real estate markets are impacted by economic trends and government policies that we do not control. These joint ventures from time to time may borrow money to help finance their activities and, in some

circumstances, we are required to provide guarantees of obligations of our affiliated entities. In addition, in connection with the investment activities of ACAP, we provide guarantees of obligations, including guarantees for completion of projects, repayment of debt, environmental indemnity obligations and other lender required guarantees. ~~22~~**AECOM 20**AECOM Capital's real estate development and investment activities are inherently risky and may result in a future loss. ACAP's real estate business involves managing, sponsoring, investing in and developing commercial real estate projects and joint ventures (Real Estate Joint Ventures) that are inherently risky and may result in future losses based on factors beyond our control, including economic trends, government policies and competition. Our SEC-registered investment adviser jointly manages and sponsors the AECOM- Canyon Equity Fund, L. P. (the "Fund"), in which the Company indirectly holds an equity interest and which also invests in and develops Real Estate Joint Ventures on behalf of its investors. Real Estate Joint Ventures rely on substantial amounts of third party borrowing to finance their development activities and the lenders of such financings typically require AECOM or an affiliate to provide completion guarantees, repayment guarantees, environmental indemnities and other lender required credit support guarantees to secure the Real Estate Joint Ventures financing. ~~AECOM's provision of lender guarantees is contingent upon the Real Estate Joint Ventures meeting AECOM's underwriting criteria, which include an affiliate of AECOM acting as either the construction manager at risk or the owner's representative for the project.~~ Although the Fund and such Real Estate Joint Ventures have reserves that will be used to share any cost overruns of the Real Estate Joint Ventures, if such reserves are depleted, then AECOM may be required to make support payments to fund non-budgeted cost overruns on behalf of the Fund (but not on behalf of the Fund's co-partner or any unaffiliated limited partners of the Real Estate Joint Ventures). Some of the Fund's limited partners ~~have~~ **may be permitted to make** ~~made~~ additional equity co-investments in certain Real Estate Joint Ventures for which AECOM will provide support payments on behalf of the limited partner co-investor in the event of a cost overrun of the Real Estate Joint Ventures after additional specific reserves have been depleted. **During fiscal 2024, the Company completed a transaction pursuant to which members of the AECOM Capital team transitioned to a new third – party platform and will provide investment advisory services relating to the AECOM Capital business pursuant to certain advisory agreements. The Company has implemented comprehensive policies and procedures to oversee the provisions of these advisory services; however, these changes will impact the Company's ability to supervise the investment team's activities.** Risks Related to Laws and Regulations Misconduct by our employees, subcontractors, partners or consultants or our failure to comply with laws or regulations applicable to our business could cause us to lose customers or lose our ability to contract with government agencies. As a government contractor, misconduct, fraud or other improper activities caused by our employees', subcontractors', partners' or consultants' failure to comply with laws or regulations could have a significant negative impact on our business and reputation. Such misconduct could include the failure to comply with procurement regulations, environmental regulations, regulations regarding the protection of sensitive government information, legislation regarding the pricing of labor and other costs in government contracts, regulations on lobbying or similar activities, and anti-corruption, anti-competition, export control and other applicable laws or regulations. Our failure to comply with applicable laws or regulations, misconduct by any of our employees, subcontractors, partners or consultants, or our failure to make timely and accurate certifications to government agencies regarding misconduct or potential misconduct could subject us to fines and penalties, loss of government granted eligibility, cancellation of contracts and suspension or debarment from contracting with government agencies, any of which may adversely affect our business. We may be subject to substantial liabilities under environmental laws and regulations. Our services are subject to numerous environmental protection laws and regulations that are complex and stringent. Our business involves in part the planning, design, program management, construction management, and operations and maintenance at various sites, including but not limited to, nuclear facilities, hazardous waste and Superfund sites, hydrocarbon production, distribution and transport sites, and other infrastructure-related facilities. We also regularly perform work in and around sensitive environmental areas, such as rivers, lakes and wetlands. In addition, we have contracts in support of U. S. federal government entities to ~~destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities.~~ **destroy hazardous materials, including chemical agents and weapons stockpiles, as well as to decontaminate and decommission nuclear facilities.** These activities may require us to manage, handle, remove, treat, transport and dispose of toxic or hazardous substances. ~~We also own and operate several properties in the U. S. and Canada that have been used for the storage and maintenance of construction equipment. In the conduct of operations on these properties, and despite precautions having been taken, it is possible that there have been accidental releases of individually relatively small amounts of fuel, oils, hydraulic fluids and other fluids while storing or servicing this equipment. Such accidental releases though individually relatively small may have accumulated over time. Past business practices at companies that we have acquired may also expose us to future unknown environmental liabilities.~~ ~~23~~**Significant 21**Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose us to liability arising out of the conduct of operations or conditions caused by others, or for our acts that were in compliance with all applicable laws at the time these acts were performed. For example, there are a number of governmental laws that strictly regulate the handling, removal, treatment, transportation and disposal of toxic and hazardous substances, such as Comprehensive Environmental Response Compensation and Liability Act of 1980, and comparable state laws, that impose strict, joint and several liabilities for the entire cost of cleanup, without regard to whether a company knew of or caused the release of hazardous substances. In addition, some environmental regulations can impose liability for the entire cleanup upon owners, operators, generators, transporters and other persons arranging for the treatment or disposal of such hazardous substances related to contaminated facilities or project sites. Other federal environmental, health and safety laws affecting us include, but are not limited to, the Resource Conservation and Recovery Act, the National Environmental Policy Act, the Clean Air Act, the Clean Air Mercury Rule, the Occupational Safety and Health Act, the Toxic Substances Control Act and the Superfund Amendments and Reauthorization Act and the Energy

Reorganization Act of 1974, as well as other comparable national and state laws. Liabilities related to environmental contamination or human exposure to hazardous substances, or a failure to comply with applicable regulations could result in substantial costs to us, including cleanup costs, fines and civil or criminal sanctions, third-party claims for property damage or personal injury or cessation of remediation activities. Our continuing work in the areas governed by these laws and regulations exposes us to the risk of substantial liability. Risks Related to Climate Change Climate change, natural disasters and related environmental issues could have a material adverse impact on us. Climate-related events, such as an increase in frequency and severity of storms, floods, wildfires, droughts, hurricanes, freezing conditions, and other natural disasters, may have a long-term impact on our business, financial condition and results of operation. While we seek to mitigate our business risks associated with climate events, we recognize that there are inherent climate-related risks regardless of where we conduct our businesses. For example, a catastrophic natural disaster could negatively impact any of our office locations and the locations of our clients. Accordingly, a natural disaster has the potential to disrupt our and our clients' businesses and may cause us to experience work stoppages, project delays, financial losses and additional costs to resume operations, including increased insurance costs or loss of cover, legal liability and reputational losses. There is a rapidly evolving awareness and focus from stakeholders with respect to environmental, social and governance practices, which could affect our business. Stakeholder expectations with respect to environmental, social and governance matters have been rapidly evolving and increasing. We risk damage to our reputation if we do not act responsibly in key areas including diversity and inclusion, environmental stewardship, support for local communities and corporate governance. A failure to adequately meet stakeholders' expectations, **including failing to meet client commitments and targets**, may result in loss of business, and an inability to attract and retain customers and talented personnel, which could have a negative impact on our business, results of operations and financial condition, and potentially on the price of our common stock and cost of capital. Risks Related to Acquisitions and Divestitures We may be unable to successfully execute or effectively integrate acquisitions and divestitures may not occur as planned. We regularly review our portfolio of businesses and pursue growth through acquisitions and seek to divest non-core businesses. We may not be able to complete transactions on favorable terms, on a timely basis, or at all, and during the integration of any acquisition, we may discover regulatory and compliance issues. In addition, our results of operations and cash flows may be adversely impacted by (i) the failure of acquired businesses to meet or exceed expected returns; (ii) the failure to integrate acquired businesses on schedule and / or to achieve expected synergies; (iii) the inability to dispose of non-core assets and businesses on satisfactory terms and conditions; (iv) diversion of attention and increased burdens on our employees; and (v) the discovery of unanticipated liabilities or other problems in acquired businesses for which we lack contractual protections, insurance or indemnities, or with regard to divested businesses, claims by purchasers to whom we have provided contractual indemnification. Additional difficulties we may encounter as part of the integration process include the following: • the consequences of a change in tax treatment and the possibility that the full benefits anticipated from the acquisition or disposition will not be realized; **24-22** • any delay in the integration or disposition of management teams, strategies, operations, products and services; • differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration; • the ability to retain key employees; • the ability to create and enforce uniform standards, controls, procedures, policies and information systems; • the challenge of restructuring complex systems, technology, networks and other assets in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies; • potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate beyond current estimates; • the ability to deduct or claim tax attributes or benefits such as operating losses, business or foreign tax credits; and • the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies. Any of these factors could adversely affect our ability to maintain relationships with customers, suppliers, employees and other constituencies or could reduce our earnings or otherwise adversely affect our business and financial results. Our plans to divest businesses are subject to various risks and uncertainties and may not be completed in accordance with the expected plans or anticipated time frame, or at all, and will involve significant time and expense, which could disrupt or adversely affect our business. Divesting businesses involve risks and uncertainties, such as the difficulty separating assets related to such businesses from the businesses we retain, employee distraction, the need to obtain regulatory approvals and other third-party consents, which potentially disrupts customer and vendor relationships, and the fact that we may be subject to additional tax obligations or loss of tax benefits. Because of these challenges, as well as market conditions or other factors, anticipated divestitures may take longer or be costlier or generate fewer benefits than expected and may not be completed at all. If we are unable to complete divestitures or to successfully transition divested businesses, our business and financial results could be negatively impacted. After we dispose of a business, we may retain exposure on financial or performance guarantees and other contractual, employment, pension and severance obligations, and potential liabilities that may arise under law because of the disposition or the subsequent failure of an acquirer. Our results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and our ability to fund capital expenditures, investments and service debt may be diminished. In addition, any purchase price adjustments could be unfavorable and other future proceeds owed to us as part of these transactions could be lower than we expect. As a result, performance by the divested businesses or other conditions outside of our control could have a material adverse effect on our results of operations. In addition, the divestiture of any business could negatively impact our profitability because of losses that may result from such a sale, the loss of sales and operating income, or a decrease in cash flows. Other Risks An impairment charge of goodwill could have a material adverse impact on our financial condition and results of operations. Because we have grown in part through acquisitions, goodwill ~~and intangible assets – net represent~~ **represents** a substantial portion of our assets, ~~and were was~~ **\$ 3.45 billion and \$ 17.8 million, respectively** as of September 30, ~~2023~~ **2024**. Under generally accepted accounting principles in the United States, we are required to test goodwill carried in our consolidated balance sheets for possible impairment on an annual basis based upon a fair value approach and whenever events occur that indicate impairment

could exist. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a reporting unit's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of our business, a significant sustained decline in our market capitalization and other factors. ~~25~~~~In~~~~23~~~~In~~ addition, if we experience a decrease in our stock price and market capitalization over a sustained period, we would have to record an impairment charge in the future. The amount of any impairment could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken. We may be required to contribute additional cash to meet our significant underfunded benefit obligations associated with pension benefit plans we manage or multiemployer pension plans in which we participate. We have defined benefit pension plans for employees in the United States, United Kingdom, Canada, Australia, and Ireland. At September 30, ~~2023~~~~2024~~, our defined benefit pension plans had an aggregate deficit (the excess of projected benefit obligations over the fair value of plan assets) of approximately \$ ~~165~~~~134~~. ~~3~~~~0~~ million. In the future, our pension deficits may increase or decrease depending on changes in the levels of interest rates, pension plan performance and other factors that may require us to make additional cash contributions to our pension plans and recognize further increases in our net pension cost to satisfy our funding requirements. If we are forced or elect to make up all or a portion of the deficit for unfunded benefit plans, our results of operations could be materially and adversely affected. A multiemployer pension plan is typically established under a collective bargaining agreement with a union to cover the union-represented workers of various unrelated companies. Our collective bargaining agreements with unions require us to contribute to various multiemployer pension plans; however, we do not control or manage these plans. For the year ended September 30, ~~2023~~~~2024~~, we contributed \$ ~~3~~~~2~~. ~~0~~~~5~~ million to multiemployer pension plans. Under the Employee Retirement Income Security Act, an employer who contributes to a multiemployer pension plan, absent an applicable exemption, may also be liable, upon termination or withdrawal from the plan, for its proportionate share of the multiemployer pension plan's unfunded vested benefit. If we terminate or withdraw from a multiemployer plan, absent an applicable exemption (such as for some plans in the building and construction industry), we could be required to contribute a significant amount of cash to fund the multiemployer plan's unfunded vested benefit, which could materially and adversely affect our financial results; however, since we do not control the multiemployer plans, we are unable to estimate any potential contributions that could be required. We may experience disproportionately high levels of collection risk and nonpayment if clients in specific geographic areas or industries are adversely affected by factors particular to their geographic area or industry. Our clients include public and private entities that have been, and may continue to be, negatively impacted by the changing landscape in the global economy. While no one client accounted for over 10 % of our revenue for fiscal ~~2023~~~~2024~~, we face collection risk as a normal part of our business where we perform services and subsequently bill our clients for such services, or when we make equity investments in majority or minority controlled large-scale client projects and other long-term capital projects before the project completes operational status or completes its project financing. In the event that we have concentrated credit risk from clients in a specific geographic area or industry, continuing negative trends or a worsening in the financial condition of that specific geographic area or industry could make us susceptible to disproportionately high levels of default by those clients. Such defaults could materially adversely impact our revenues, results of operations or accounts receivable. Our services expose us to significant risks of liability and our insurance policies may not provide adequate coverage. Our services involve significant risks of professional and other liabilities that may substantially exceed the fees that we derive from such services. In addition, we sometimes contractually assume liability to clients on projects under indemnification or guarantee agreements. We cannot predict the magnitude of potential liabilities from the operation of our business. In addition, in the ordinary course of our business, we frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for our clients. We may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inaccurate. Any unfavorable legal ruling against us could result in substantial monetary damages or even criminal violations. Our professional liability policies cover only claims made during the term of the policy. Additionally, our insurance policies may not protect us against potential liability due to various exclusions in the policies and self-insured retention amounts. Partially or completely uninsured claims, if successful and of significant magnitude, could have a material adverse effect on our business. ~~26~~~~Unavailability~~ ~~24~~~~Unavailability~~ or cancellation of third-party insurance coverage would increase our overall risk exposure as well as disrupt the management of our business operations. We maintain insurance coverage from third-party insurers as part of our overall risk management strategy and because some of our contracts require us to maintain specific insurance coverage limits. If any of our third-party insurers fail, suddenly cancel our coverage or otherwise are unable to provide us with adequate insurance coverage, then our overall risk exposure and our operational expenses would increase and the management of our business operations would be disrupted. In addition, there can be no assurance that any of our existing insurance coverage will be renewable upon the expiration of the coverage period or that future coverage will be affordable at the required limits. If we do not have adequate indemnification for our services related to nuclear materials, it could adversely affect our business and financial condition. We provide services to the nuclear energy industry **primarily related to in the** ~~ongoing maintenance and modification, as well as the~~ decontamination and decommissioning ~~of~~ nuclear energy plants. Indemnification provisions under the Price-Anderson Act available to nuclear energy plant operators and contractors do not apply to all liabilities that we might incur while performing services as a radioactive materials cleanup contractor for the nuclear energy industry. If the Price-Anderson Act's indemnification protection does not apply to our services or if our exposure occurs outside the U. S., our business and financial condition could be adversely affected either by our client's refusal to retain us, by our inability to obtain commercially adequate insurance and indemnification, or by potentially significant monetary damages we may incur. Our backlog of uncompleted projects under contract is subject to unexpected adjustments and cancellations and, thus, may not accurately reflect future revenue and profits. At September 30, ~~2023~~~~2024~~, backlog was approximately \$ ~~41~~~~37~~. ~~2~~~~4~~ billion. We reported transaction price allocated to remaining unsatisfied performance obligations (RUPO) of \$ ~~21~~~~19~~. ~~9~~~~8~~ billion, as described in Note 4, Revenue Recognition, in the notes to our consolidated financial statements. The most significant

differences between our backlog and RUPO are backlog contains revenue we expect to record in the future where we have been awarded the work, but the contractual agreement has not yet been signed, ~~unconsolidated joint venture backlog where we expect to realize income through equity earnings rather than revenue~~, and revenue related to service contracts that extend beyond the termination provisions of those contracts, where guidance for the calculation of RUPO requires us to assume the contract will be terminated at its earliest convenience. Accordingly, RUPO is \$ ~~19-17.3-6~~ billion lower than backlog. We cannot guarantee that future revenue will be realized from either category of backlog or, if realized, will result in profits. Many projects may remain in our backlog for an extended period of time because of the size or long-term nature of the contract. In addition, from time to time, projects are delayed, scaled back or canceled. These types of backlog reductions adversely affect the revenue and profits that we ultimately receive from contracts reflected in our backlog. From time to time, we submit claims to clients for work we performed beyond the initial scope of some of our contracts. If these clients do not approve these claims, our results of operations could be adversely impacted. We typically have pending claims submitted under some of our contracts for payment of work performed beyond the initial contractual requirements for which we have already recorded revenue. In general, we cannot guarantee that such claims will be approved in whole, in part, or at all. Often, these claims can be the subject of lengthy arbitration or litigation proceedings, and it is difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we have used working capital in projects to cover cost overruns pending the resolution of the relevant claims. If these claims are not approved, our revenue may be reduced in future periods. ~~27In 25In~~ conducting our business, we depend on other contractors, subcontractors and equipment and material providers. If these parties fail to satisfy their obligations to us or other parties or if we are unable to maintain these relationships, our revenue, profitability and growth prospects could be adversely affected. We depend on contractors, subcontractors and equipment and material providers in conducting our business. There is a risk that we may have disputes with our subcontractors arising from, among other things, the quality and timeliness of work performed by the subcontractor, customer concerns about the subcontractor, or our failure to extend existing task orders or issue new task orders under a subcontract. Also, to the extent that we cannot acquire equipment and materials at reasonable costs, or if the amount we are required to pay exceeds our estimates, our ability to complete a project in a timely fashion or at a profit may be impaired. In addition, if any of our subcontractors fail to deliver on a timely basis the agreed-upon supplies and / or perform the agreed-upon services, our ability to fulfill our obligations as a prime contractor may be jeopardized; we could be held responsible for such failures and / or we may be required to purchase the supplies or services from another source at a higher price. This may reduce the profit to be realized or result in a loss on a project for which the supplies or services are needed. We also rely on relationships with other contractors when we act as their subcontractor or joint venture partner. Our future revenue and growth prospects could be adversely affected if other contractors eliminate or reduce their subcontracts or joint venture relationships with us, or if a government agency terminates or reduces these other contractors' programs, does not award them new contracts or refuses to pay under a contract. In addition, due to "pay when paid" provisions that are common in subcontracts in many countries, including the U. S., we could experience delays in receiving payment if the prime contractor experiences payment delays. If clients use our reports or other work product without appropriate disclaimers or in a misleading or incomplete manner, or if our reports or other work product are not in compliance with professional standards and other regulations, our business could be adversely affected. The reports and other work product we produce for clients sometimes include projections, forecasts and other forward-looking statements. Such information by its nature is subject to numerous risks and uncertainties, any of which could cause the information produced by us to ultimately prove inaccurate. While we include appropriate disclaimers in the reports that we prepare for our clients, once we produce such written work product, we do not always have the ability to control the manner in which our clients use such information. As a result, if our clients reproduce such information to solicit funds from investors for projects without appropriate disclaimers and the information proves to be incorrect, or if our clients reproduce such information for potential investors in a misleading or incomplete manner, our clients or such investors may threaten to or file suit against us for, among other things, securities law violations. If we were found to be liable for any claims related to our client work product, our business could be adversely affected. In addition, our reports and other work product may need to comply with professional standards, licensing requirements, securities regulations and other laws and rules governing the performance of professional services in the jurisdiction where the services are performed. We could be liable to third parties who use or rely upon our reports and other work product even if we are not contractually bound to those third parties. These events could in turn result in monetary damages and penalties. Failure to adequately protect, maintain, or enforce our rights in our intellectual property may adversely limit our competitive position. Our success depends, in part, upon our ability to protect our intellectual property. We rely on a combination of intellectual property policies and other contractual arrangements to protect much of our intellectual property where we do not believe that trademark, patent or copyright protection is appropriate or obtainable. Trade secrets are generally difficult to protect. Although our employees are subject to confidentiality obligations, this protection may be inadequate to deter or prevent misappropriation of our confidential information and / or the infringement of our patents and copyrights. Further, we may be unable to detect unauthorized use of our intellectual property or otherwise take appropriate steps to enforce our rights. Failure to adequately protect, maintain, or enforce our intellectual property rights may adversely limit our competitive position. ~~28Our 26Our~~ revenue and growth prospects may be harmed if we or our employees are unable to obtain government granted eligibility or other qualifications we and they need to perform services for our customers. A number of government programs require contractors to have government granted eligibility, such as security clearance credentials. Depending on the project, eligibility can be difficult and time-consuming to obtain. If we or our employees are unable to obtain or retain the necessary eligibility, we may not be able to win new business, and our existing customers could terminate their contracts with us or decide not to renew them. To the extent we cannot obtain or maintain the required security clearances for our employees working on a particular contract, we may not derive the revenue or profit anticipated from such contract. Negotiations with labor unions and possible work actions could divert management attention and disrupt operations. In addition,

new collective bargaining agreements or amendments to agreements could increase our labor costs and operating expenses. We regularly negotiate with labor unions and enter into collective bargaining agreements. The outcome of any future negotiations relating to union representation or collective bargaining agreements may not be favorable to us. We may reach agreements in collective bargaining that increase our operating expenses and lower our net income as a result of higher wages or benefit expenses. In addition, negotiations with unions could divert management attention and disrupt operations, which may adversely affect our results of operations. If we are unable to negotiate acceptable collective bargaining agreements, we may have to address the threat of union-initiated work actions, including strikes. Depending on the nature of the threat or the type and duration of any work action, these actions could disrupt our operations and adversely affect our operating results. Our charter documents contain provisions that may delay, defer or prevent a change of control. Provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change in control would be beneficial to stockholders. These provisions include the following: • ability of our Board of Directors to authorize the issuance of preferred stock in series without stockholder approval; • vesting of exclusive authority in our Board of Directors to determine the size of the board and to fill vacancies; and • advance notice requirements for stockholder proposals and nominations for election to our Board of Directors. We cannot guarantee the timing, amount or payment of dividends. Although our Board of Directors has adopted a dividend policy under which we intend to pay a regular quarterly cash dividend, the timing and amount of any subsequently declared dividend (or any special dividend) is subject to the discretion of the Board of Directors and will be based on a variety of factors, including cash flows, earnings and financial borrowing availability and other restrictions under our outstanding indebtedness. We are not required to declare dividends and we are restricted under our outstanding indebtedness and could be restricted under future financing or other arrangements. Our Board of Directors may modify or terminate our dividend policy. Accordingly, we cannot provide any assurances that we will pay quarterly or special dividends or the amount or timing thereof. Any reduction or elimination of our dividend policy or dividend payments could have a negative effect on the price of our common stock. Changes in tax laws could increase our worldwide tax rate and materially affect our results of operations. We are subject to tax laws in the U. S. and numerous foreign jurisdictions. The U. S. and many international legislative and regulatory bodies continually propose and enact legislation that could significantly impact how U. S. multinational corporations are taxed. **In the ordinary course of our business**, ~~The Organization for Economic Co-operation and Development (OECD), a global coalition of member countries~~ **there are many transactions and calculations where the ultimate tax determination is uncertain, and we are regularly subject to audit by tax authorities** ~~two-~~ **pillar framework to reform international taxation**. ~~Although we believe~~ **the proposal aims to ensure that our multinationals pay a minimum rate of tax on estimates and tax positions are reasonable, they could be materially affected by many factors including their foreign profits through final outcome of tax audits and related litigation,** ~~the introduction of new a global minimum tax~~ **accounting standards** among other provisions. As this framework is subject to further negotiation and implementation by each member country, **legislation** ~~the timing and ultimate impact of any such changes on our tax obligations are uncertain. Due to the large scale of our U. S. and international business activities,~~ **regulations** ~~many of these proposed changes, if enacted into law, could have an~~ **and related interpretations** ~~adverse impact on our worldwide effective tax rate, income tax expense and cash flows.~~