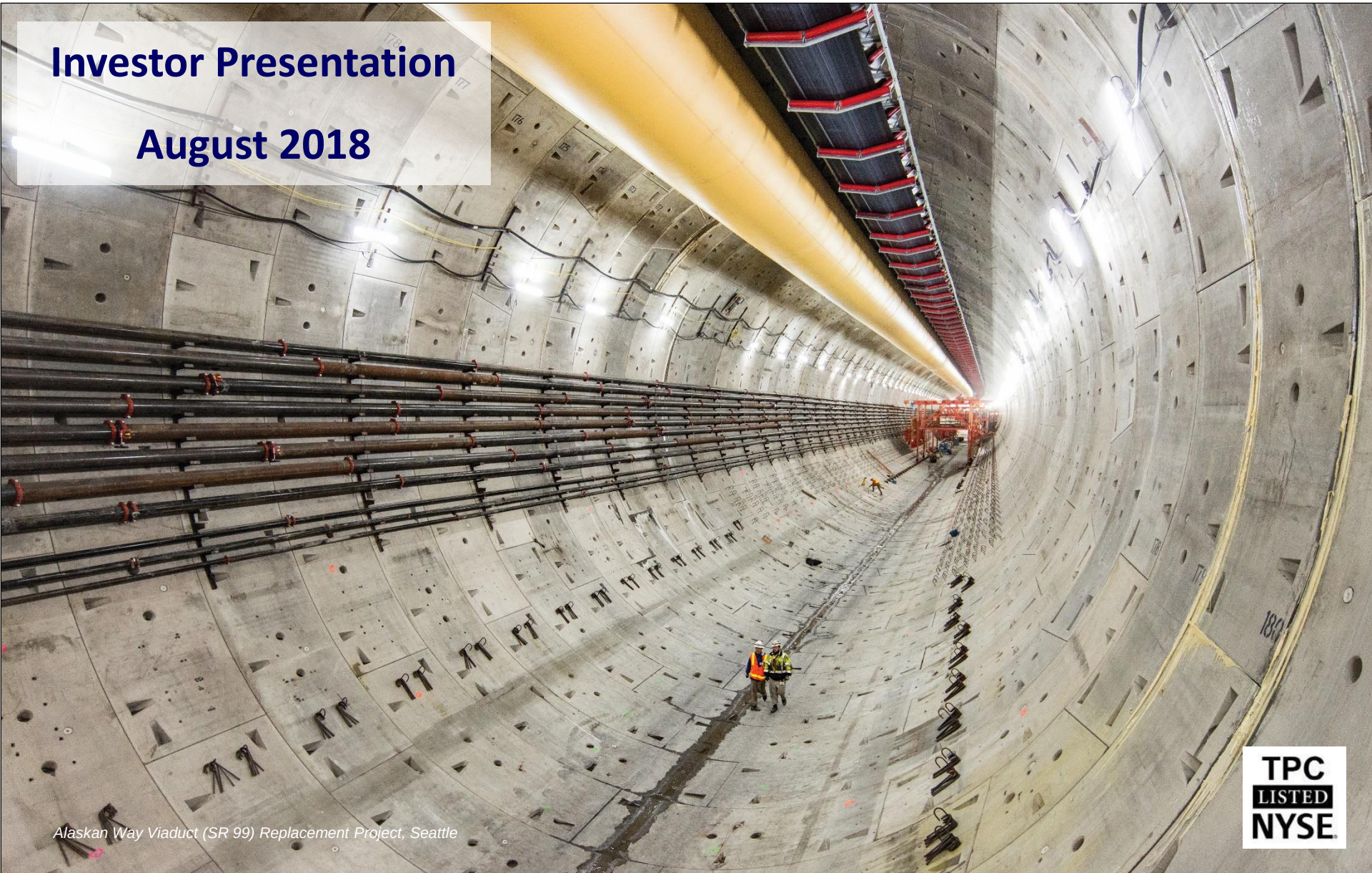
Tutor Perini CORPORATION

Investor Presentation

August 2018



Alaskan Way Viaduct (SR 99) Replacement Project, Seattle

TPC LISTED NYSE

Forward-Looking Statements

Statements contained in this presentation that are not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements regarding the Company's expectations, hopes, beliefs, intentions or strategies regarding the future and statements regarding future guidance or estimates and non-historical performance. These forward-looking statements are based on the Company's current expectations and beliefs concerning future developments and their potential effects on the Company. While the Company's expectations, beliefs and projections are expressed in good faith and the Company believes there is a reasonable basis for them, there can be no assurance that future developments affecting the Company will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the Company) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, inaccurate estimates of contract risks, revenue or costs, the timing of new awards or the pace of project execution; the requirement to perform extra, or change order, work resulting in disputes or claims, which may adversely affect our working capital, profits and cash flows; unfavorable outcomes of existing or future litigation or dispute resolution proceedings against project owners, subcontractors or suppliers, as well as failure to promptly recover significant working capital invested in projects subject to such matters; a significant slowdown or decline in economic conditions; increased competition and failure to secure new contracts; client cancellations of, or reductions in scope under, contracts reported in our backlog; actual results could differ from the assumptions and estimates used to prepare financial statements; failure to meet contractual schedule requirements, which could result in higher costs and reduced profits or, in some cases, exposure to financial liability for liquidated damages and/or damages to customers; failure of our joint venture partners to perform their venture obligations, which could impose additional financial and performance obligations on us, resulting in reduced profits or losses; decreases in the level of government spending for infrastructure and other public projects; inability to retain key members of our management, to hire and retain personnel required to complete projects or implement succession plans for key officers; failure to meet our obligations under our debt agreements; possible systems and information technology interruptions; failure to comply with laws and regulations related to government contracts; inclement weather; conversion of our outstanding Convertible Notes that could dilute ownership interests of existing stockholders and could adversely affect the market price of our common stock; the potential dilutive impact of our Convertible Notes in our diluted earnings per share calculation; economic, political and other risks, including civil unrest, security issues, labor conditions, corruption and other unforeseeable events in countries where we do business, resulting in unanticipated losses; impairment of our goodwill or other indefinite-lived intangible assets; and other risks and uncertainties discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2017 filed on February 27, 2018 and in other reports that we file with the Securities and Exchange Commission from time to time. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Company Overview

- Leading provider of diversified general contracting, design-build and self-perform construction services for public and private clients
  - **Civil segment infrastructure projects drive profitability**
  - **Significant increase in infrastructure spending on the horizon**
- Over 120 years of successful project execution
- Consistently ranked by *Engineering News-Record* among the top U.S. contractors
- Headquartered in Los Angeles with operations throughout the U.S. and in select international locations
- Approximately 10,000 employees worldwide

ENR Engineering News-Record

***Tutor Perini* rankings (2017/2018):**

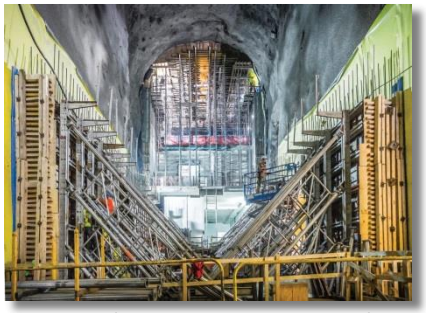
#1 Specialty Contractor in NY region*
#2 Builder in Transportation
#3 Domestic Heavy Contractor
#5 Builder in Electrical*
#10 General Contractor
#10 Specialty Contractor*
#11 Builder in Domestic Building/Mfg.
#12 Builder in Mechanical*

** Includes multiple subsidiaries*



The Cosmopolitan Resort and Casino, Las Vegas


St. Croix Crossing Bridge, Oak Park Heights, MN


East Side Access Project, New York

Diverse Geographical Footprint



Well positioned to capture work in all 50 states and in targeted international markets

Significant Projects Driving Performance

(approximate award values)

- Various New York MTA East Side Access Projects – $2.7B
- California High-Speed Rail (JV) – $1.5B
- Newark Airport Terminal One, NJ (JV) – $1.4B
- Los Angeles MTA Purple Line Section 2 (JV) – $1.3B
- San Francisco MTA Central Subway – $840M
- Technology Campus, CA – $500M
- I-74 Bridge Replacement Project, IA – $320M
- Kemano T2 Tunnel (JV), British Columbia – $265M



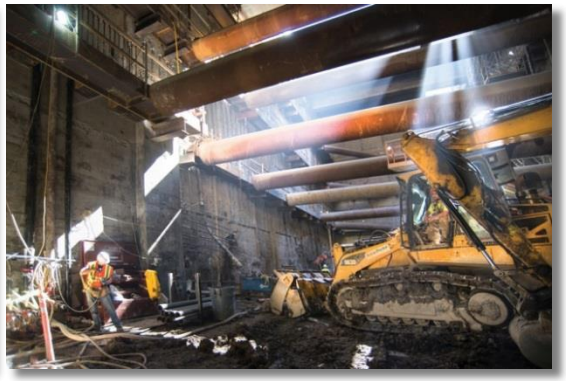
California High-Speed Rail Project, Central California



East Side Access Project, New York



Newark Airport Terminal One, Newark



Central Subway T-Line Extension, San Francisco

Leading market position and scale allows TPC to win large, complex projects

Segment Overview and Financials

Tutor Perini CORPORATION

A Leading Construction Services Firm

LTM Revenue: $4.5B

LTM Income from Construction Ops. (ICO): $162.3M[1] (3.6% Op. Margin)

LTM Net Income Attributable to TPC: $117.3M[2]

LTM Operating Cash Flow: $135.8M

Q2-18 Backlog: $8.7B (record high)

Civil Segment

LTM Revenue: $1.5B

LTM ICO: $154.5M[3]

LTM Op. Margin: 10.4%

Q2-18 Backlog: $4.7B

- Commonly uses fixed price and unit price contracts
- Specializes in:
  - Bridges and Tunnels
  - Mass-Transit Systems
  - Highways
  - Wastewater Treatment Facilities



Building Segment

LTM Revenue: $1.9B

LTM ICO: $42.2M[3]

LTM Op. Margin: 2.2%

Q2-18 Backlog: $2.1B

- Commonly uses guaranteed maximum price and cost plus fee contracts
- Specializes in:
  - Health Care
  - Corporate Offices
  - Mixed Use
  - Education
  - Hospitality / Gaming
  - Sports Facilities



Specialty Contractors Segment

LTM Revenue: $1.2B

LTM ICO: $32.9M[3]

LTM Op. Margin: 2.8%

Q2-18 Backlog: $1.9B

- Commonly uses fixed price, unit price and cost plus fee contracts
- Specializes in:
  - Electrical
  - Mechanical
  - Plumbing and Heating
  - Pneumatic Concrete Placement



(1) Includes the impact of corporate general and administrative expenses of $67.2M; excludes other income of $4.3M

(2) Includes a tax benefit of $53.3M primarily related to the remeasurement of deferred tax assets and liabilities due to the Tax Cuts and Jobs Act of 2017.

(3) Segment ICO amounts do not sum to total ICO amount due to corporate general and administrative expenses and rounding.

Civil Segment Drives TPC's Profitability

- Construction and rehabilitation of highways, bridges, tunnels, mass-transit systems and wastewater treatment facilities
- TPC's highest margin segment (10.4% operating margin over last 12 mos.)
- Focused on large-scale, complex projects ($100M to $1B+)
- One of few leaders in the industry positioned to capture the largest projects
  - Faces fewer competitors, as smaller contractors lack the technical experience, capability and bonding capacity to support large projects
  - Strong self-performance capabilities
  - Centralized, experienced cost estimating capabilities and sizeable equipment fleet

Winning Large and Highly Visible Projects



CA High-Speed Rail, CA

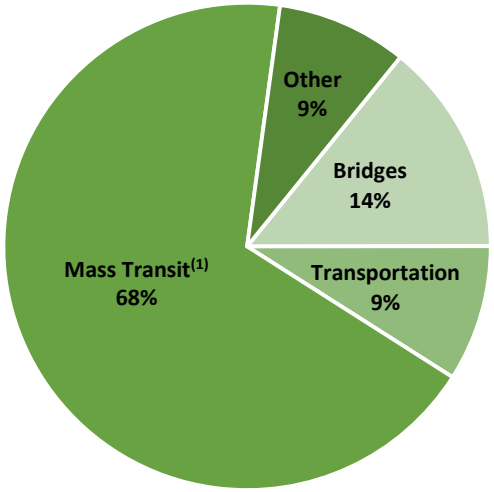


East Side Access Project, NY

Civil Construction Success Drivers

- **Very strong bidding activity and bid pipeline over the next several years**
- **Significant infrastructure spending boost** expected due to recent voter-approved funding measures (e.g., $120B L.A. County Measure M; $54B Seattle Sound Transit 3), $52B 10-year California transportation bill and President Trump's proposed $1.5T infrastructure plan
- Experience and past performance on projects
- Financial strength key to obtaining bonding and pre-bid qualification
- Only major U.S. or international contractor with an office in Guam (presence for 40 years)
  - Prepared for multi-billion-dollar troop relocation project opportunities

Q2-18 Backlog by End Market: $4.7B



12% Y/Y Civil segment backlog growth and over $800M of pending awards

(1) *Includes the Company's airport projects*

Building Segment

Tutor Perini Corporation

Tutor Perini Building Corp

- Private / Non-Residential and Public Projects
- Expertise in Hospitality and Gaming, Design-Build and Accelerated Delivery

Rudolph and Sletten

- Leading Builder in California
- Large Corporate Customer Base

Roy Anderson Corp Contractors

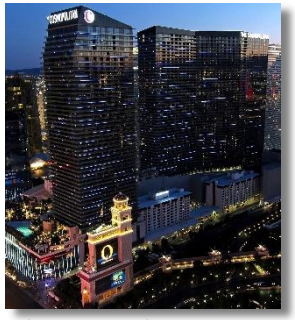
- Southeastern U.S. Focus
- Private / Non-Residential and Public Projects

Perini Management Services

- Construction and design-build services worldwide for U.S. military and government agencies and surety companies



CityCenter Las Vegas

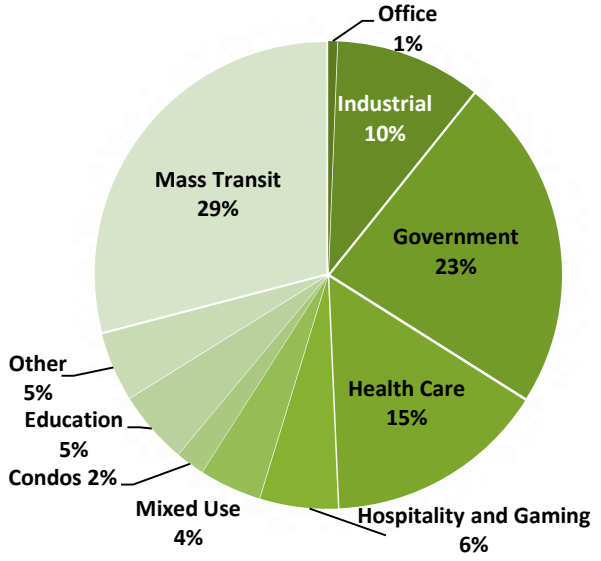


The Cosmopolitan Resort & Casino, Las Vegas

Building Construction Success Drivers

- **Large and active bid pipeline over at least the next two years**
  - Significant volume of prospective awards for projects in California and the northeast U.S. given strengths of Rudolph and Sletten and Tutor Perini Building Corp.
- Strong customer relationships and end market expertise
- Integrated business model with significant self-perform capabilities
- Established track record on numerous large government contracts

Q2-18 Backlog by End Market: $2.1B



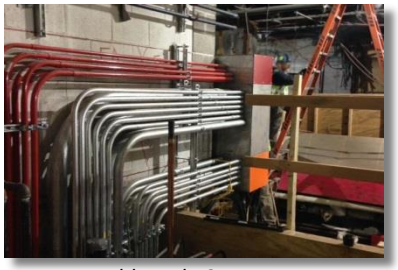
Strong demand for building projects especially in California and the northeast U.S.

Specialty Contractors Segment

FIVE STAR ELECTRIC	One of the largest electrical contractors in New York City
FISK	Electrical contractor with offices in Houston, Miami, New Orleans and Los Angeles
WDF Inc.	Mechanical contractor with offices in New York City and Miami
DMI Desert Mechanical, Inc.	Mechanical contractor with offices in Los Angeles and Las Vegas
GUNITE	Expertise in Pneumatic Concrete Placement Offices in Los Angeles and New York City



East Side Access Queens Tunnels, NY

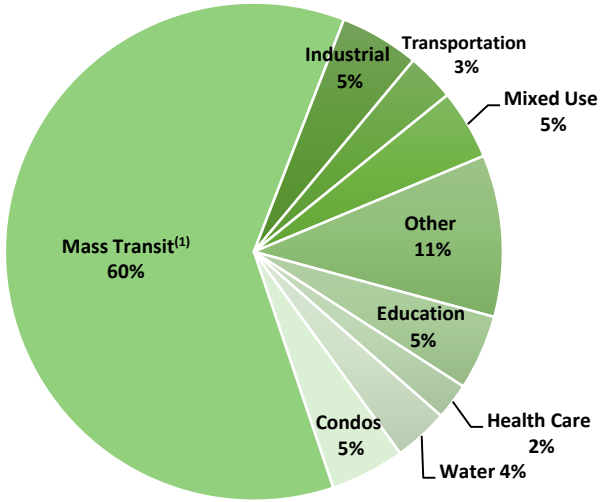


World Trade Center, NY

Specialty Contractors Success Drivers

- **Strong demand, especially in New York City and California**
- Strong electrical and mechanical proficiencies
- Performing substantial work for the Civil and Building groups
  - Positions TPC as a full-service contractor with greater control over scheduled work, project delivery, and cost and risk management
- Continuing to serve existing external customers
- Focused on New York City, Texas, California and Florida

Q2-18 Backlog by End Market: $1.9B



TPC's specialty construction capabilities provide a strong competitive advantage

(1) *Includes the Company's airport projects*

Vertical Integration: A Competitive Advantage

Example Projects:

Hudson Yards Development
Platform, tunnel and buildings
Midtown Manhattan, NY
Total project volume: $2.4B+

New York MTA East Side Access
Subway stations, tracks and systems
Queens to Manhattan, NY
Project value: $2.7B

SFMTA Central Subway
Underground stations, tracks and systems
San Francisco, CA
Project value: $840M



Hudson Yards Development, New York



Central Subway T-Line Extension, San Francisco

Key Success Drivers

- Integrated civil, building and specialty service capabilities proving to be a competitive advantage
  - ✓ Greater control over schedule
  - ✓ Greater visibility into price
- Collaborative bidding approach

TPC's Civil, Building and Specialty Contracting groups provide a differentiated, one-stop-shop competitive advantage

Core Strengths Provide Significant Benefits

Core Strengths

- Cost estimating
- Self-perform capabilities
- Diverse construction experience – Civil, Building and Specialty Contractors
- Construction risk management
- Project management talent, depth and experience
- Sizeable equipment fleet
- Broad domestic geographic footprint
- Strong balance sheet and bonding capacity

Benefits Realized

- Greater project cost and schedule certainty
- Durable competitive advantage
- Higher profit margin opportunities
- Larger project pursuits with fewer competitors
- Profitable fixed price execution
- Rapid mobilization of resources
- Public-private partnership project opportunities

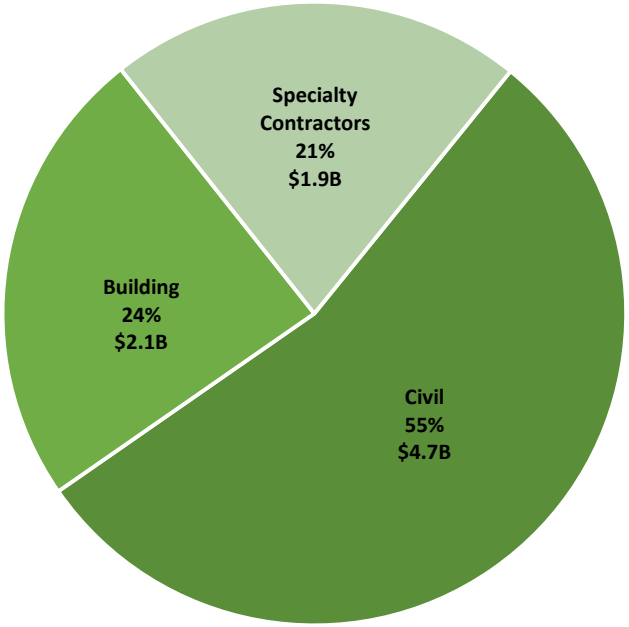
TPC's competitive strengths provide opportunities for higher margins

Record $8.7B Backlog to Drive Growth

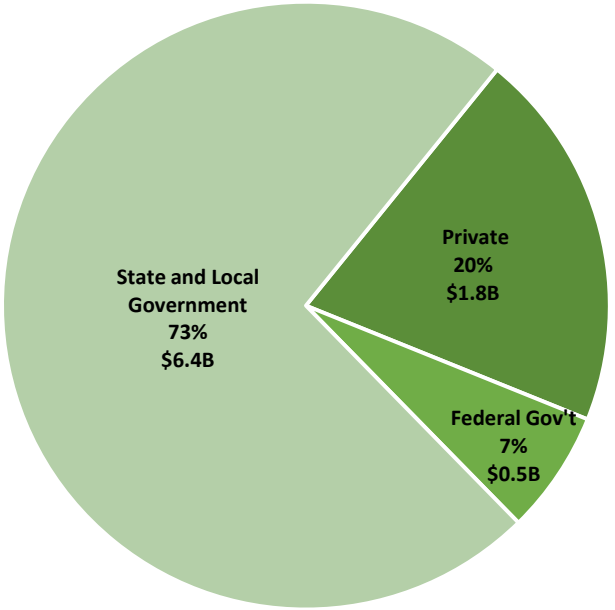
(as of Q2-18)

Tutor Perini CORPORATION

Backlog by Segment



Backlog by Customer



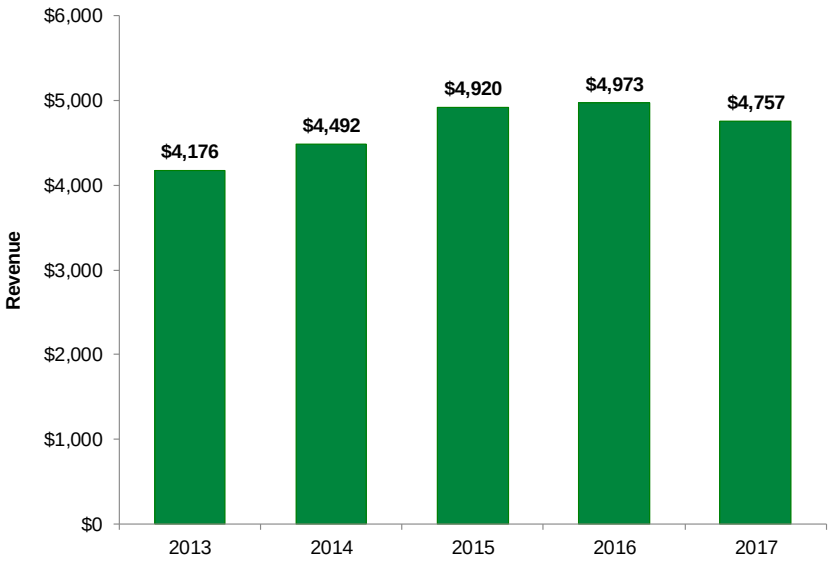
15% Y/Y backlog growth in Q2-18; more than $800M of pending Civil awards

Strong pipeline of prospective bids and awards over the next several years

Historical Financials

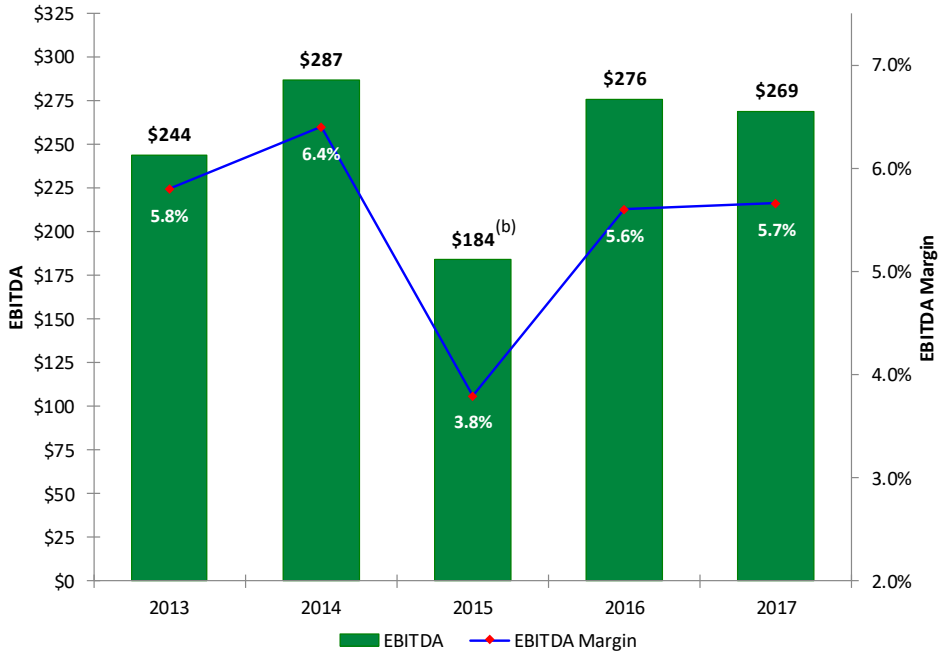
Revenue

($ in millions)



EBITDA[(a)]

($ in millions)



(a) EBITDA and adjusted EBITDA (for 2015) are non-GAAP financial measures; see reconciliation to net income attributable to Tutor Perini Corp. in appendix. Net income attributable to Tutor Perini Corp. for 2013-2017 was $87.3M, $107.9M, $45.3M, $95.8M and $148.4M, respectively.

(b) Represents adjusted EBITDA for 2015, which excludes a Civil segment charge of $23.9M related to legacy litigation for a Frontier-Kemper (FK) joint venture, for which FK had a 20% non-sponsorship interest. Tutor Perini acquired FK in 2011, after the joint venture project was complete and already in litigation.

Guidance
(as of August 7, 2018)

FY18 Guidance
EPS Range*
$1.90 - $2.05

* Assumptions:

- General and administrative expenses in 2018 are expected to be consistent with 2017, but will be lower on a margin basis compared to 2017
- Includes $0.76 ($55M) of depreciation and amortization expense
- Includes $0.86 ($62M) of interest expense, of which $0.17 ($12M) will be non-cash
- Approximately 29% - 30% effective tax rate
- Approximately $10M - $15M of non-controlling interests
- 51M weighted-average diluted shares outstanding
- Approximately $90M of capital expenditures in 2018 ($15M to $20M of general [multi-project and corporate] capital expenditures; $70M of project-specific capital expenditures fully funded by project cash flows)

Why Invest in Tutor Perini?

- **Market leader** with strong résumé of successfully completed projects
- **Significant wave of infrastructure spending anticipated** due to several large voter-approved funding measures, the $52B 10-yr. California transportation bill and President Trump's proposed $1.5T infrastructure plan
- **Domestically focused**
- **Record $8.7B backlog plus more than $800M of pending Civil awards to support growth; 55% of current backlog comprised of higher-margin civil projects**
- **Unprecedented civil project bidding activity and pipeline of prospective projects,** reflecting strong market demand in the area of our greatest strengths and profitability
- **Focused on cash flow generation and balance sheet improvements**
  - Operating cash has exceeded net income for the past two fiscal years
  - Record annual cash generation of $163.6M in 2017



East Side Access Project, New York

Tutor Perini
CORPORATION



Contact:
Jorge Casado
Vice President, Investor Relations
(818) 408-5746
Jorge.Casado@tutorperini.com

Appendix:
Reconciliation to Net Income

($ in thousands)	2013A	2014A	2015A	2016A	2017A
Net Income Attributable to Tutor Perini Corp.[1]	$87,296	$107,936	$45,292	$95,822	$148,382
Interest Expense[2]	47,515	46,035	45,143	59,782	69,384
Income Tax Expense	52,319	79,502	28,547	53,293	(569)
Depreciation	43,383	40,216	37,919	63,759	48,387
Amortization[2]	13,082	13,486	3,715	3,543	3,543
EBITDA	**243,595**	**287,175**	**160,616**	**276,199**	**269,127**
Litigation-Related Charge (pre-tax)[3]	-	-	23,860	-	-
Adjusted EBITDA	**$243,595**	**$287,175**	**$184,476**	**$276,199**	**$269,127**

[1] Net income for 2017 includes a tax benefit of $53.3M primarily related to the remeasurement of deferred tax assets and liabilities due to the Tax Cuts and Jobs Act of 2017.

[2] Includes amortization of discounts and debt issuance costs. Historical amortization and interest expense have been restated to reflect the adoption of Accounting Standards Update 2015-03.

[3] Legal charge in Q3 2015 related to legacy litigation for a Frontier-Kemper (FK) joint venture, for which FK had a 20% non-sponsorship interest. Tutor Perini acquired FK in 2011, after the joint venture project was complete and already in litigation.