

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per common share amounts)	Year Ended December 31,		
	2018	2017	2016
REVENUE	\$ 4,454,662	\$ 4,757,208	\$ 4,973,076
COST OF OPERATIONS	(4,000,209)	(4,302,803)	(4,515,886)
GROSS PROFIT	454,453	454,405	457,190
General and administrative expenses	(262,577)	(274,928)	(255,270)
INCOME FROM CONSTRUCTION OPERATIONS	191,876	179,477	201,920
Other income, net	4,256	43,882	6,977
Interest expense	(63,519)	(69,384)	(59,782)
INCOME BEFORE INCOME TAXES	132,613	153,975	149,115
Income tax (expense) benefit	(34,832)	569	(53,293)
NET INCOME	97,781	154,544	95,822
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	14,345	6,162	—
NET INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION	\$ 83,436	\$ 148,382	\$ 95,822
BASIC EARNINGS PER COMMON SHARE	\$ 1.67	\$ 2.99	\$ 1.95
DILUTED EARNINGS PER COMMON SHARE	\$ 1.66	\$ 2.92	\$ 1.92
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	49,952	49,647	49,150
DILUTED	50,301	50,759	49,864

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)	As of December 31,	
	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (\$43,131 and \$53,067 related to VIEs)	\$ 116,075	\$ 192,868
Restricted cash	3,788	4,780
Restricted investments	58,142	53,014
Accounts receivable (\$62,482 and \$30,003 related to VIEs)	1,261,072	1,265,717
Retainage receivable (\$36,724 and \$12,410 related to VIEs)	478,744	535,939
Costs and estimated earnings in excess of billings	1,142,295	932,758
Other current assets (\$30,185 and \$0 related to VIEs)	115,527	89,316
Total current assets	3,175,643	3,074,392
PROPERTY AND EQUIPMENT:		
Land	41,599	41,382
Building and improvements	125,193	125,029
Construction equipment	486,034	477,988
Other equipment	181,578	182,288
	834,404	826,687
Less accumulated depreciation	(343,735)	(359,188)
Total property and equipment, net (\$51,508 and \$11,641 related to VIEs)	490,669	467,499
GOODWILL	585,006	585,006
INTANGIBLE ASSETS, NET	85,911	89,454
OTHER ASSETS	50,523	47,772
TOTAL ASSETS	\$ 4,387,752	\$ 4,264,123
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 16,767	\$ 30,748
Accounts payable (\$18,070 and \$19,243 related to VIEs)	621,728	699,971
Retainage payable	211,956	261,820
Billings in excess of costs and estimated earnings (\$263,764 and \$120,952 related to VIEs)	573,190	456,869
Accrued expenses and other current liabilities (\$34,828 and \$0 related to VIEs)	174,325	132,438
Total current liabilities	1,597,966	1,581,846
LONG-TERM DEBT , less current maturities, net of unamortized discounts and debt issuance costs totaling \$34,998 and \$45,631	744,737	705,528
DEFERRED TAX LIABILITIES	105,521	108,504
OTHER LONG-TERM LIABILITIES	151,639	163,465
TOTAL LIABILITIES	2,599,863	2,559,343
COMMITMENTS AND CONTINGENCIES (Note 8)		
EQUITY		
Stockholders' equity:		
Preferred stock – authorized 1,000,000 shares (\$1 par value), none issued	—	—
Common stock – authorized 75,000,000 shares (\$1 par value), issued and outstanding 50,025,996 and 49,781,010 shares	50,026	49,781
Additional paid-in capital	1,102,919	1,084,205
Retained earnings	701,681	622,007
Accumulated other comprehensive loss	(45,449)	(42,718)
Total stockholders' equity	1,809,177	1,713,275
Noncontrolling interests	(21,288)	(8,495)
TOTAL EQUITY	1,787,889	1,704,780
TOTAL LIABILITIES AND EQUITY	\$ 4,387,752	\$ 4,264,123

The accompanying notes are an integral part of these consolidated financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	Year Ended December 31,		
	2018	2017	2016
Cash Flows from Operating Activities:			
Net income	\$ 97,781	\$ 154,544	\$ 95,822
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	43,724	48,387	63,759
Amortization of intangible assets	3,543	3,543	3,543
Share-based compensation expense	22,782	21,174	13,423
Excess income tax benefit from share-based compensation	—	—	(269)
Change in debt discounts and deferred debt issuance costs	12,072	17,595	10,968
Deferred income taxes	(449)	(23,096)	(10,169)
Loss on sale of property and equipment	402	1,131	453
Changes in other components of working capital	(156,844)	(60,214)	(90,530)
Other long-term liabilities	(2,007)	3,656	28,210
Other, net	398	(3,170)	(1,874)
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,402	163,550	113,336
Cash Flows from Investing Activities:			
Acquisition of property and equipment	(77,069)	(30,280)	(15,743)
Proceeds from sale of property and equipment	6,387	2,744	1,899
Investments in securities	(20,848)	(60,967)	—
Proceeds from maturities and sales of investments in securities	21,322	1,370	—
NET CASH USED IN INVESTING ACTIVITIES	(70,208)	(87,133)	(13,844)
Cash Flows from Financing Activities:			
Proceeds from debt	1,753,160	2,161,384	1,353,895
Repayment of debt	(1,738,314)	(2,195,068)	(1,562,684)
Business acquisition related payment	(15,951)	—	—
Issuance of convertible notes	—	—	200,000
Cash payments related to share-based compensation	(2,671)	(11,769)	(584)
Excess income tax benefit from share-based compensation	—	—	269
Distributions paid to noncontrolling interests	(29,000)	(17,499)	—
Contributions from noncontrolling interests	3,797	2,842	—
Debt issuance and extinguishment costs	—	(15,266)	(15,086)
NET CASH USED IN FINANCING ACTIVITIES	(28,979)	(75,376)	(24,190)
Net increase (decrease) in cash, cash equivalents and restricted cash	(77,785)	1,041	75,302
Cash, cash equivalents and restricted cash at beginning of year	197,648	196,607	121,305
Cash, cash equivalents and restricted cash at end of year	\$ 119,863	\$ 197,648	\$ 196,607

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