For personal use only

ANALYST AND INVESTOR PRESENTATION
HY19 RESULTS

Marcelino Fernández Verdes, Executive Chairman
Michael Wright, Chief Executive Officer
Stefan Camphausen, Chief Financial Officer

Cross River Rail Tunnel, Stations and Development PPP (Pacific Partnerships, CPB Contractors, and UGL in a consortium) and Rail, Integration and Systems (CPB Contractors and UGL in an alliance), Queensland, Australia

17 JULY 2019

integrity accountability innovation delivery SAFETY

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

FTSE4Good

Refer to 'ASX/Media Release' for further information

HY19 financial highlights

HY19 NPAT of $367m

- ✓ Stable revenue[1] of $7.0bn
- ✓ EBIT, PBT and NPAT margins[2] steady at 8.2%, 7.2% and 5.3% respectively
- ✓ Half year dividend of 71.0 cps, fully franked

Delivered $1.8bn of operating cash flow[3] in LTM

- ✓ EBITDA cash conversion of 87% in LTM
- ✓ Free operating cash flow[4] of $1.0bn in LTM
- ✓ Strict focus on managing working capital and generating sustainable cash-backed profits

Robust financial position with net cash[5] of $1.4bn, up 5% YOY

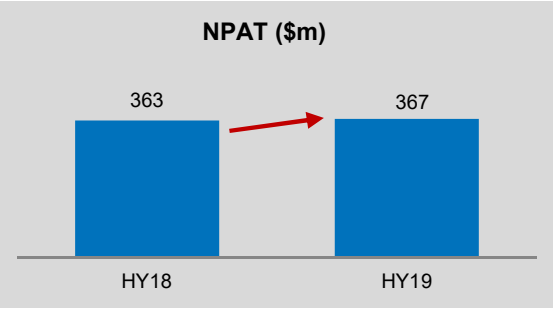
- ✓ $2.7bn of undrawn debt facilities as at the end of June 2019
- ✓ Strong investment grade rating reaffirmed by S&P of BBB with Stable outlook

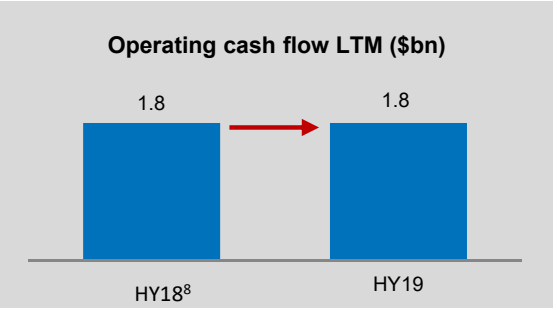
Strong, diversified order book with $36.8bn of work in hand[6]; extensive pipeline

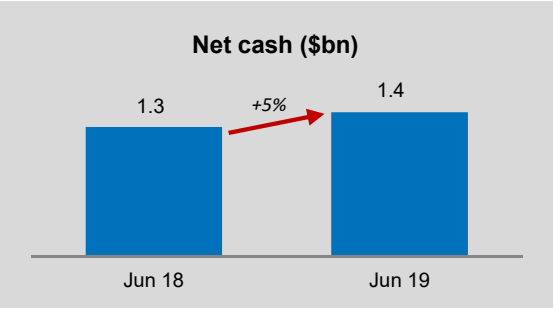
- ✓ Awarded $8.3bn of new work[7] in HY19; bidding discipline maintained
- ✓ Operating Companies' work in hand increased by nearly $2.5bn or 8% YOY
- ✓ $60bn pipeline for Construction, Mining and Services opportunities for the remainder of 2019, $400bn for 2020 and beyond
- ✓ Pipeline includes $130bn of PPP opportunities identified for the remainder of 2019 and beyond

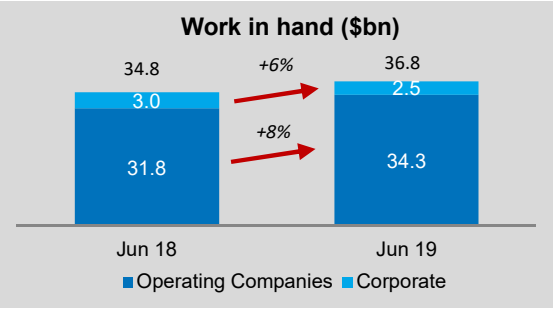
FY19 NPAT guidance confirmed, $790m-$840m, subject to market conditions

- ✓ Mining continuing to strengthen; opportunities in Construction and Services boosted by strong PPP pipeline
- ✓ Strong balance sheet continues to provide flexibility to pursue strategic growth initiatives and capital allocation opportunities, and to deliver shareholder returns







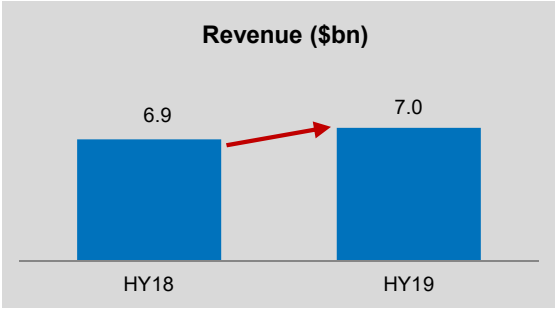


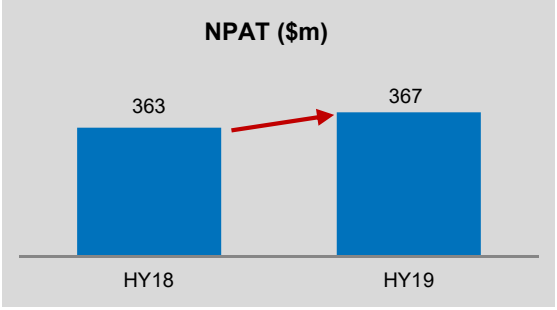
For personal use only

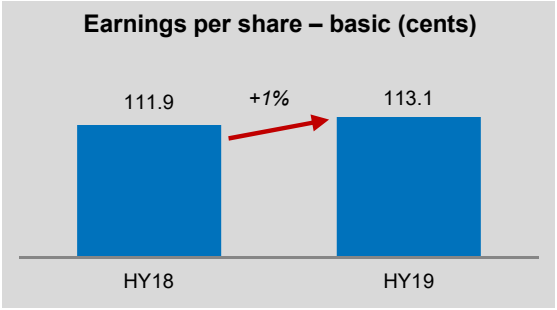
Solid operating performance

- ✓ Stable revenue[1] of $7.0bn
- ✓ EBIT, PBT and NPAT margins were steady at 8.2%, 7.2% and 5.3%, respectively
- ✓ Increase in net finance costs driven by higher levels of bonding due to the growth of the Australian Construction business and successful closing of PPP projects and working capital initiatives
- ✓ PBT of $504m and NPAT of $367m, respectively
- ✓ Implementation of "AASB 16 Leases" increased finance costs, EBITDA and EBIT margins when compared to previous period disclosures[9]
- ✓ No significant one-off impacts

Financial performance ($m)	HY18[9]	HY19	Chg. %	FY18[9]
Revenue	**6,937.4**	**6,955.1**	**0.3%**	**14,670.2**
EBITDA	**875.6**	**1,023.8**	**16.9%**	**1,900.8**
EBITDA margin	*12.6%*	*14.7%*	*210bp*	*13.0%*
D&A	(323.9)	(454.8)	40.4%	(727.1)
EBIT	**551.7**	**569.0**	**3.1%**	**1,173.7**
EBIT margin	*8.0%*	*8.2%*	*20bp*	*8.0%*
Net finance costs	(49.1)	(65.4)	33.2%	(102.1)
Profit before tax	**502.6**	**503.6**	**0.2%**	**1,071.6**
PBT margin	*7.2%*	*7.2%*	-	*7.3%*
Income tax	(145.7)	(136.0)	(6.7)%	(299.9)
Effective tax rate	*29.0%*	*27.0%*	*(200)bp*	*28.0%*
Non-controlling interests	5.9	(0.9)	-	6.8
NPAT	**362.8**	**366.7**	**1.1%**	**778.5**
NPAT margin	*5.2%*	*5.3%*	*10bp*	*5.3%*
EPS (basic)	111.9c	113.1c	1.1%	240.1c







For personal use only

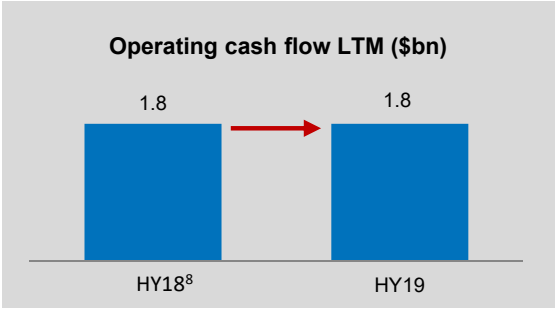
Robust cash generation

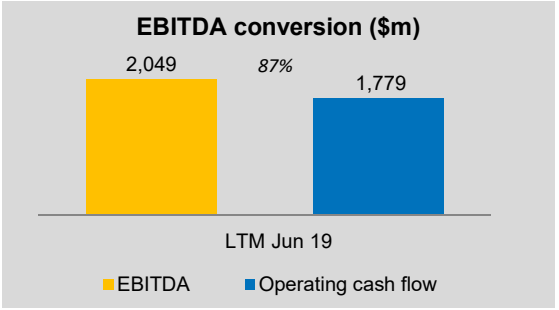
Delivered $1.8bn of operating cash flow in LTM

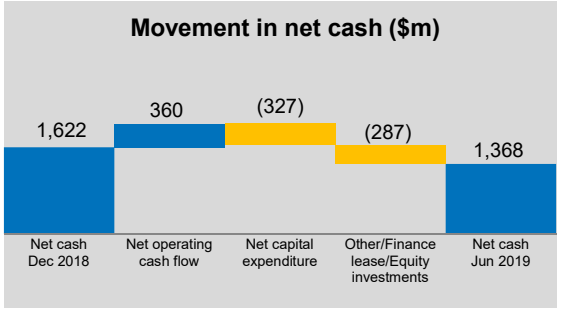
- ✓ Solid EBITDA conversion rate of 87% in LTM influenced by the completion of various large infrastructure projects, and new alliance projects with a different working capital profile
- ✓ Strict focus on managing working capital and generating sustainable cash-backed profits
- ✓ Further opportunities in tunnelling and mining sustained higher levels of gross capital expenditure
- ✓ $1.0bn free operating cash flow generated in LTM
- ✓ Implementation of "AASB 16 Leases" increased operating cash flow when compared to previous period disclosures[9]

EBITDA conversion ($m)	HY18[9]	HY19	Chg. %	LTM[9]
Operating cash flow (a)[3]	803.2	528.6	(34.2)%	1,778.8
EBITDA (b)	875.6	1,023.8	16.9%	2,049.0
EBITDA conversion (a)/(b)	**92%**	**52%**		**87%**

Cash flow ($m)	HY18[9]	HY19	Chg. %	LTM[9]
Operating cash flow	**803.2**	**528.6**	**(34.2)%**	**1,778.8**
Interest, finance costs and taxes	(87.2)	(168.7)	93.5%	(231.9)
Net operating cash flow	**716.0**	**359.9**	**(49.7)%**	**1,546.9**
Gross capital expenditure[10]	(246.4)	(341.1)	38.4%	(642.1)
Gross capital proceeds[11]	11.9	14.6	22.7%	85.3
Net capital expenditure	**(234.5)**	**(326.5)**	**39.2%**	**(556.8)**
Free operating cash flow	**481.5**	**33.4**	**(93.1)%**	**990.1**







For personal use only

Strong balance sheet

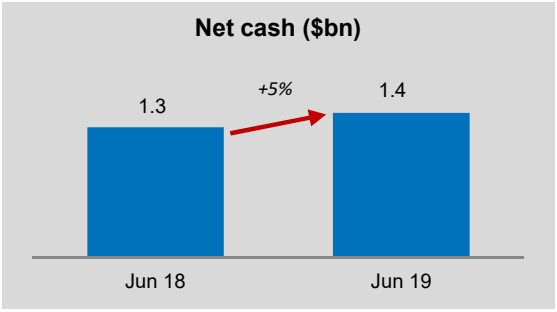
- ✓ Stable net cash of $1.4bn, in addition to $2.7bn of undrawn debt facilities as at the end of June 2019
- ✓ Strong investment grade rating reaffirmed by S&P of BBB with Stable outlook
- ✓ Net contract debtors reflect the completion of various large infrastructure projects, and a number of recently awarded Mining and alliance construction projects with a different working capital profile
- ✓ Factoring balance below $2bn, at a similar level to December 2018
- ✓ $675m contract debtors portfolio provision remains unchanged
- ✓ Increase in net finance costs driven by higher levels of bonding due to the growth of the Australian Construction business and successful closing of PPP projects and working capital initiatives
- ✓ Cost of debt down 30bp YOY to 3.6%

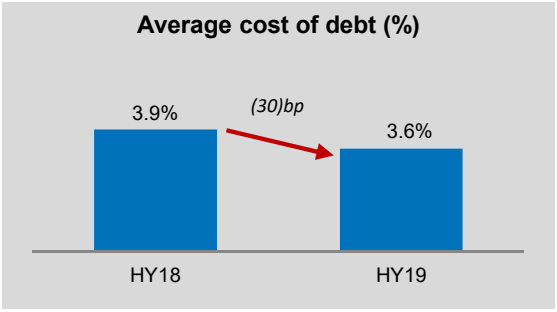
Net cash/(debt) ($m)[5]	Jun 2018	Dec 2018	Jun 2019
Cash and equivalent liquid assets[5]	2,182.6	2,145.2	2,065.9
Gross debt	(882.2)	(522.8)	(697.8)
Net cash/(debt)[5]	**1,300.4**	**1,622.4**	**1,368.1**
Lease liabilities[9]	(634.9)	(908.9)	(874.2)
Net cash/(debt) (incl. leases)[9]	665.5	713.5	493.9

Net contract debtors ($m)	Dec 2018	Jun 2019
Net contract debtors	1,098.9	1,440.4

Finance cost detail ($m)	HY18	HY19
Debt interest expenses	(34.5)	(30.0)
Facility fees, bonding and other costs[12]	(39.6)	(64.6)
Total finance costs	(74.1)	(94.6)
Interest income	25.0	29.2
Net finance costs[13]	**(49.1)**	**(65.4)**

Finance cost detail ($m)	HY18	HY19
Debt interest expenses (a)	(34.5)	(30.0)
Gross debt[14] at period end	882.2	697.8
Gross debt period average (b)	1,787.7	1,675.9
Average cost of debt $(\frac{-2a}{b})$	**3.9%**	**3.6%**



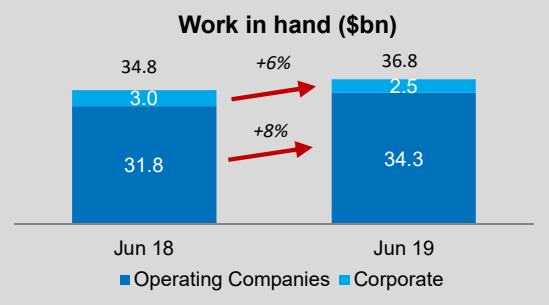


For personal use only

Diversified order book with extensive pipeline

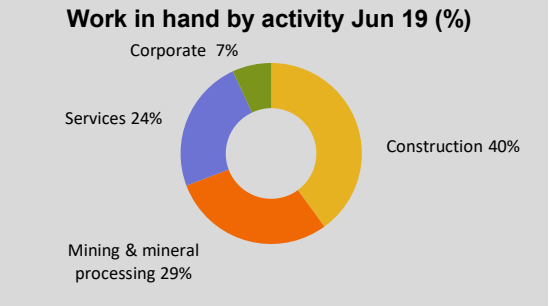
Total work in hand of $36.8bn, equivalent to more than 2 years' revenue

- ✓ $8.3bn of new work awarded in HY19, disciplined bidding maintained
- ✓ Operating Companies' work in hand increased by nearly $2.5bn YOY or 8%
- ✓ Diverse and growing pipeline of opportunities in our key markets/activities providing a range of business opportunities
- ✓ Numerous major contracts awarded during the first half of the year included:
  - Cross River Rail Tunnel, Stations and Development PPP, QLD
  - Mining services contract at Jwaneng Mine Cut 9, Botswana
  - Regional Rail Project PPP, NSW
  - Maintenance services contract extension with Sydney Trains, NSW
  - Christchurch Metro Sports Facility, NZ
  - Implementation services at Karratha Gas Plant, WA
  - Melak mining extension, Indonesia
  - Mineral processing contract at Byerwen Mine, QLD
  - Coffs Harbour Hospital expansion works, NSW
  - Wagga Wagga Health Service Stage 3 redevelopment project, NSW
  - Various maintenance project services contracts across the oil and gas sector, Australia

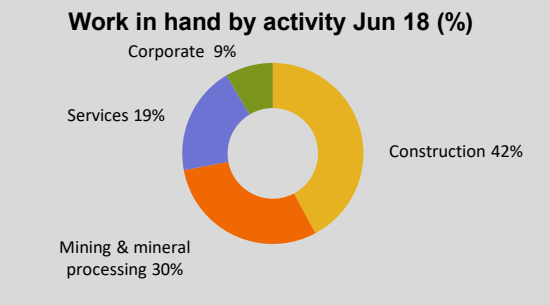


Extensive pipeline across all Operating Companies

- ✓ $60bn pipeline for Construction, Mining and Services opportunities for the remainder of 2019, $400bn for 2020 and beyond, including $130bn of PPP opportunities identified for the remainder of 2019 and beyond
- ✓ Currently closing the preferred awards for the Cross River Rail Alliance partnership to deliver the Rail, Integration and Systems Package, and Auckland International Airport Works (not included in work in hand)
- ✓ Some major projects that CIMIC is currently bidding include:
  - North East Link – Primary Package (Kempston Street to Southern Portal) PPP, VIC
  - Inland Rail – Gowrie to Kagaru PPP, QLD
  - F6 Extension Stage 1 – Arncliffe to Kogarah, NSW
  - Regional Delivery Consortia 2020, NSW
  - Suburban Roads Upgrade projects PPP, VIC
  - North-South Corridor, Singapore
  - Perth Metronet Rolling Stock, WA
  - Olive Downs South and Meandu Mining Services, QLD
  - Minera Centinela Esperanza Sur copper mine and Manto Verde EPC copper project, Chile
  - Mining and processing opportunities in NSW, QLD and WA



Work in hand ($m) as at	Jun 18	Jun 19	Chg. %	Dec 18
Construction	14,687	14,729	0.3%	15,254
Mining & mineral processing	10,400	10,791	3.8%	11,159
Services	6,753	8,763	29.8%	7,420
Operating Companies' work in hand	**31,840**	**34,283**	**7.7%**	**33,833**
Corporate[15]	2,967	2,562	(13.7%)	2,873
Total work in hand	**34,807**	**36,845**	**5.9%**	**36,706**

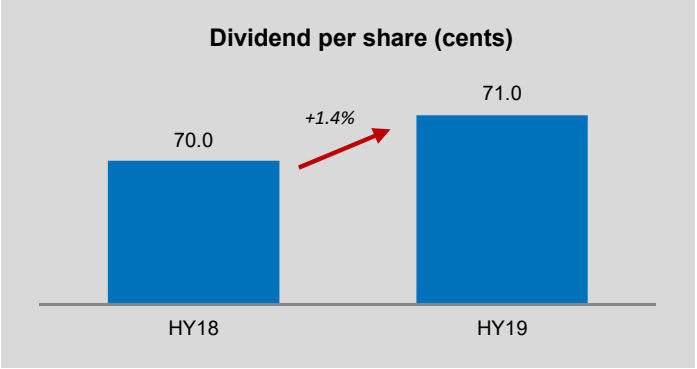


For personal use only

Continued focus on delivering shareholder returns

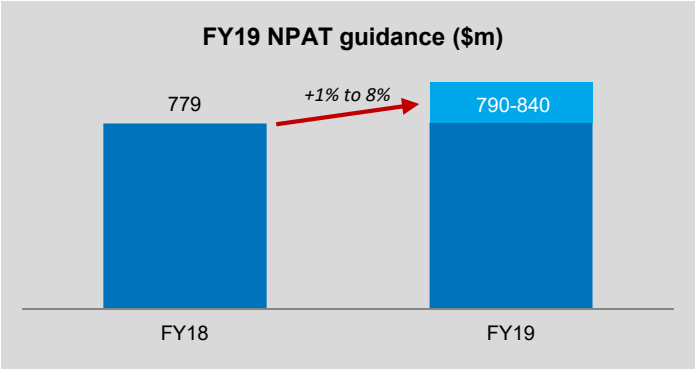
Dividends

- ✓ Interim ordinary dividend of 71 cents per share ($230m), up 1.4% YOY, fully franked, payable on 3 October 2019; representing a payout ratio of 62.8%
- ✓ Final ordinary dividend for the 2018 year of 86 cents per share ($279m), up 15% YOY, fully franked, paid on 4 July 2019



FY19 NPAT confirmed, $790m-$840m, subject to market conditions

- ✓ Guidance supported by a positive outlook across the Group's core markets
- ✓ Mining continues to strengthen with a positive outlook for volumes, both domestically and globally
- ✓ Construction and Services opportunities boosted by strong infrastructure pipeline and investment in PPPs
- ✓ Strong balance sheet continues to provide flexibility to pursue strategic growth initiatives and capital allocation opportunities, and to deliver shareholder returns



For personal use only

For personal use only

APPENDICES

Financial highlights

Financial performance ($m)	HY18[9]	HY19	Chg. $	Chg. %
Revenue	**6,937.4**	**6,955.1**	**17.7**	**0.3%**
EBITDA	**875.6**	**1,023.8**	**148.2**	**16.9%**
EBITDA margin	*12.6%*	*14.7%*	*210bp*	
EBIT	**551.7**	**569.0**	**17.3**	**3.1%**
EBIT margin	*8.0%*	*8.2%*	*20bp*	
Profit before tax	**502.6**	**503.6**	**1.0**	**0.2%**
PBT margin	*7.2%*	*7.2%*	-	
NPAT	**362.8**	**366.7**	**3.9**	**1.1%**
NPAT margin	*5.2%*	*5.3%*	*10bp*	
EPS (basic)	111.9c	113.1c	1.2c	1.1%
Financial position ($m)	**Dec 18**	**Jun 19**	**Chg. $**	**Chg. %**
Net cash/(debt)[5]	**1,622.4**	**1,368.1**	**(254.3)**	**(15.7)%**
Lease liabilities	(908.9)	(874.2)	34.7	(3.8)%
Net cash/(debt) (including leases)	713.5	493.9	(219.6)	(30.8)%
Net contract debtors	**1,098.9**	**1,440.4**	**341.5**	**31.1%**
Cash flows ($m)	**HY18[9]**	**HY19**	**Chg. $**	**Chg. %**
Operating cash flow[3]	**803.2**	**528.6**	**(274.6)**	**(34.2)%**
Interest, finance costs and taxes	(87.2)	(168.7)	(81.5)	93.5%
Net Operating cash flow	**716.0**	**359.9**	**(356.1)**	**(49.7)%**
Gross capital expenditure	(246.4)	(341.1)	(94.7)	38.4%
Gross capital proceeds	11.9	14.6	2.7	22.7%
Net capital expenditure	**(234.5)**	**(326.5)**	**(92.0)**	**39.2%**
Free Operating cash flow	**481.5**	**33.4**	**(448.1)**	**(93.1)%**
Work in hand ($m)	**Jun 18**	**Jun 19**	**Chg. $**	**Chg. %**
Work in hand beginning of period	36,009.9	36,706.1	696.2	1.9%
New work	7,142.5	8,264.7	1,122.2	15.7%
Executed work	(8,345.3)	(8,125.6)	219.7	(2.6)%
Total work in hand end of period	**34,807.1**	**36,845.2**	**2,038.1**	**5.9%**

For personal use only

Statement of financial performance

Key figures ($m)	HY18[9]	HY19	Chg. $	Chg. %
Revenue	**6,937.4**	**6,955.1**	**17.7**	**0.3%**
Expenses	(6,406.6)	(6,389.0)	(17.6)	(0.3)%
Share of profit/(loss) of joint ventures and associates	20.9	2.9	(18.0)	(86.1)%
EBIT	**551.7**	**569.0**	**17.3**	**3.1%**
EBIT margin	*8.0%*	*8.2%*	*20bp*	
Net finance costs	(49.1)	(65.4)	(16.3)	33.2%
Profit before tax	**502.6**	**503.6**	**1.0**	**0.2%**
PBT margin	*7.2%*	*7.2%*	-	
Income tax	(145.7)	(136.0)	9.7	(6.7)%
Profit for the year	356.9	367.6	10.7	3.0%
Non-controlling interests	5.9	(0.9)	(6.8)	-
NPAT	**362.8**	**366.7**	**3.9**	**1.1%**
NPAT margin	*5.2%*	*5.3%*	*10bp*	
EPS (basic)	111.9c	113.1c	1.2c	1.1%

For personal use only

Segment performance

Revenue ($m)	HY18	HY19	Chg. $	Chg. %
Construction	3,905.9	3,634.3	(271.6)	(7.0)%
Mining & mineral processing	1,770.5	2,057.2	286.7	16.2%
Services	1,230.4	1,240.9	10.5	0.9%
Corporate	30.6	22.7	(7.9)	(25.8)%
Revenue	**6,937.4**	**6,955.1**	**17.7**	**0.3%**

Segment PBT ($m)	HY18[9]	HY19	Chg. $	Chg. %
Construction	315.8	268.8	(47.0)	(14.9)%
Mining & mineral processing	186.4	235.5	49.1	26.3%
Services	75.0	74.5	(0.5)	(0.7)%
Corporate	(74.6)	(75.2)	(0.6)	0.8%
PBT	**502.6**	**503.6**	**1.0**	**0.2%**

Segment performance

Construction

- ✓ Revenues reflect a substantial contribution from the delivery of large scale transport infrastructure projects offset by market and trading conditions in Hong Kong
- ✓ PBT and margins following trend in revenues

Mining & mineral processing

- ✓ Strong revenue reflects a number of contract extensions and increased production levels due to the Group benefitting from its diversified portfolio across commodities and geographic markets
- ✓ Continued focus on driving efficiencies and creating value for clients contributed to an expanded PBT margin

Services

- ✓ The Group sustained its competitive position in the operations and maintenance service market
- ✓ Stable Services margins and ongoing revenue development contributed to this result

Corporate

- ✓ The HY19 corporate segment mainly includes contributions from Corporate, EIC Activities, Pacific Partnerships, the Commercial & Residential business and BICC

For personal use only

Statement of financial position – assets

Assets ($m)	Dec 2018[9]	Jun 2019	Chg. $	Chg. %
Current assets				
Cash and cash equivalents	2,141.7	2,002.7	(139.0)	(6.5)%
Short term financial assets and investments	3.5	63.2	59.7	-
Trade and other receivables	3,122.1	3,946.0	823.9	26.4%
Current tax assets	-	10.5	10.5	-
Inventories: consumables and development properties	315.1	396.1	81.0	25.7%
Assets held for sale	1.5	0.7	(0.8)	(53.3)%
Total current assets	**5,583.9**	**6,419.2**	**835.3**	**15.0%**
Non-current assets				
Trade and other receivables	777.6	868.8	91.2	11.7%
Inventories: development properties	111.1	111.2	0.1	0.1%
Investments accounted for using the equity method	136.6	200.1	63.5	46.5%
Other investments	105.4	110.5	5.1	4.8%
Deferred tax assets	69.6	46.7	(22.9)	(32.9)%
Property, plant and equipment	2,068.1	2,105.6	37.5	1.8%
Intangibles	1,093.5	1,150.7	57.2	5.2%
Total non-current assets	**4,361.9**	**4,593.6**	**231.7**	**5.3%**
Total assets	**9,945.8**	**11,012.8**	**1,067.0**	**10.7%**

Composition

Current assets:

- ✓ **Cash and cash equivalents:** Cash and cash equivalents was $2,002.7m at 30 June 2019, a decrease of (6.5)%, or $(139.0)m, compared to 31 December 2018
- ✓ **Short term financial assets and investments:** Includes liquid assets converted or readily convertible to cash subsequent to period end
- ✓ **Trade and other receivables:** Includes contract debtors, sundry debtors, joint venture and other receivables
- ✓ **Inventories**: **consumables and development properties:** Includes job-costed inventories held for large infrastructure projects and commercial & residential assets

Non-current assets:

- ✓ **Trade and other receivables:** Includes non-current loan receivables owed by BICC
- ✓ **Investments accounted for using the equity method:** Equity accounted investments include project-related associates and joint ventures and PPP projects
- ✓ **Property, plant and equipment:** Additions to property, plant and equipment during the period included investment in job-costed tunnelling machines for major road and rail projects, and ongoing investment in mining equipment driven by revenue growth

For personal use only

Statement of financial position – liabilities and equity

Liabilities and equity ($m)	Dec 2018[9]	Jun 2019	Chg. $	Chg. %
Current liabilities				
Trade and other payables	5,669.7	6,047.1	377.4	6.7%
Dividend payable	-	278.9	278.9	-
Current tax liabilities	68.4	11.7	(56.7)	(82.9)%
Provisions	326.0	336.8	10.8	3.3%
Interest bearing liabilities	50.7	47.0	(3.7)	(7.3)%
Lease liabilities	279.2	275.1	(4.1)	(1.5)%
Total current liabilities	**6,394.0**	**6,996.6**	**602.6**	**9.4%**
Non-current liabilities				
Trade and other payables	82.0	198.9	116.9	-
Provisions	62.4	64.3	1.9	3.0%
Deferred tax liability	19.4	54.5	35.1	-
Interest bearing liabilities	472.1	650.8	178.7	37.9%
Lease liabilities	629.7	599.1	(30.6)	(4.9)%
Total non-current liabilities	**1,265.6**	**1,567.6**	**302.0**	**23.9%**
Total liabilities	**7,659.6**	**8,564.2**	**904.6**	**11.8%**
Equity	**2,286.2**	**2,448.6**	**162.4**	**7.1%**

Composition

Current and non-current liabilities:

- ✓ **Trade and other payables:** Includes contract liabilities, trade creditors and accruals, joint venture payables and other creditors
- ✓ **Provisions:** Relates to wages and salaries, annual leave, long service leave, retirement benefits and deferred bonuses
- ✓ **Interest bearing liabilities:** Current and non-current interest bearing liabilities were $697.8m at 30 June 2019, an increase of 33.5%, or $175.0m, compared to 31 December 2018
- ✓ **Lease liabilities:** Represents the Group's portfolio of leased assets made up by property, plant, mining equipment and vehicles utilised by the Group

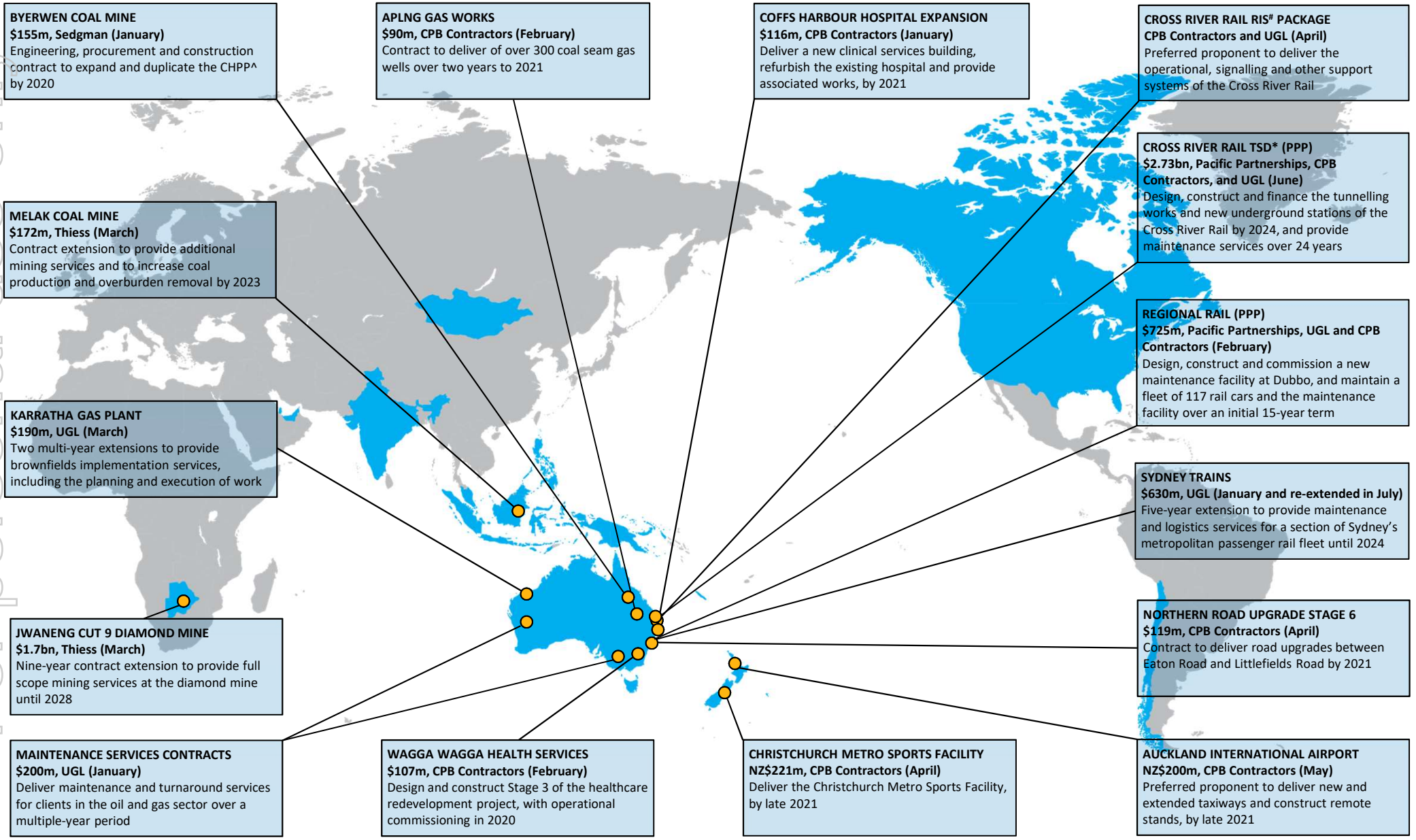
For personal use only

Statement of cash flows

Key figures ($m)	HY18[9]	HY19	Chg. $	Chg. %
Operating cash flow[3]	**803.2**	**528.6**	**(274.6)**	**(34.2)%**
Interest, finance costs and taxes	(87.2)	(168.7)	(81.5)	93.5%
Net operating cash flow	**716.0**	**359.9**	**(356.1)**	**(49.7)%**
Payments for intangibles	(3.2)	(1.0)	2.2	(68.8)%
Payments for property, plant and equipment	(246.4)	(341.1)	(94.7)	38.4%
Proceeds from sale of property, plant and equipment	11.9	14.6	2.7	22.7%
Proceeds from sale of investments	1.2	-	(1.2)	-
Cash acquired on business acquisition	-	18.0	18.0	-
Payments for investments in controlled entities and businesses	-	(12.2)	(12.2)	-
Payments for investments	(15.4)	(24.1)	(8.7)	56.5%
Loan to associates and joint ventures	(0.9)	(117.1)	(116.2)	-
Net cash from investing activities	**(252.8)**	**(462.9)**	**(210.1)**	**83.1%**
Net proceeds/(repayment) of borrowings	(43.1)	160.3	203.4	-
Repayment of finance leases	(78.7)	(154.4)	(75.7)	96.2%
Net cash from financing activities	**(121.8)**	**5.9**	**127.7**	**(104.8)%**

For personal use only

Selected project wins during HY19



BYERWEN COAL MINE
$155m, Sedgman (January)
Engineering, procurement and construction contract to expand and duplicate the CHPP^ by 2020

APLNG GAS WORKS
$90m, CPB Contractors (February)
Contract to deliver of over 300 coal seam gas wells over two years to 2021

COFFS HARBOUR HOSPITAL EXPANSION
$116m, CPB Contractors (January)
Deliver a new clinical services building, refurbish the existing hospital and provide associated works, by 2021

CROSS RIVER RAIL RIS# PACKAGE
CPB Contractors and UGL (April)
Preferred proponent to deliver the operational, signalling and other support systems of the Cross River Rail

CROSS RIVER RAIL TSD* (PPP)
$2.73bn, Pacific Partnerships, CPB Contractors, and UGL (June)
Design, construct and finance the tunnelling works and new underground stations of the Cross River Rail by 2024, and provide maintenance services over 24 years

MELAK COAL MINE
$172m, Thiess (March)
Contract extension to provide additional mining services and to increase coal production and overburden removal by 2023

REGIONAL RAIL (PPP)
$725m, Pacific Partnerships, UGL and CPB Contractors (February)
Design, construct and commission a new maintenance facility at Dubbo, and maintain a fleet of 117 rail cars and the maintenance facility over an initial 15-year term

KARRATHA GAS PLANT
$190m, UGL (March)
Two multi-year extensions to provide brownfields implementation services, including the planning and execution of work

SYDNEY TRAINS
$630m, UGL (January and re-extended in July)
Five-year extension to provide maintenance and logistics services for a section of Sydney's metropolitan passenger rail fleet until 2024

JWANENG CUT 9 DIAMOND MINE
$1.7bn, Thiess (March)
Nine-year contract extension to provide full scope mining services at the diamond mine until 2028

NORTHERN ROAD UPGRADE STAGE 6
$119m, CPB Contractors (April)
Contract to deliver road upgrades between Eaton Road and Littlefields Road by 2021

MAINTENANCE SERVICES CONTRACTS
$200m, UGL (January)
Deliver maintenance and turnaround services for clients in the oil and gas sector over a multiple-year period

WAGGA WAGGA HEALTH SERVICES
$107m, CPB Contractors (February)
Design and construct Stage 3 of the healthcare redevelopment project, with operational commissioning in 2020

CHRISTCHURCH METRO SPORTS FACILITY
NZ$221m, CPB Contractors (April)
Deliver the Christchurch Metro Sports Facility, by late 2021

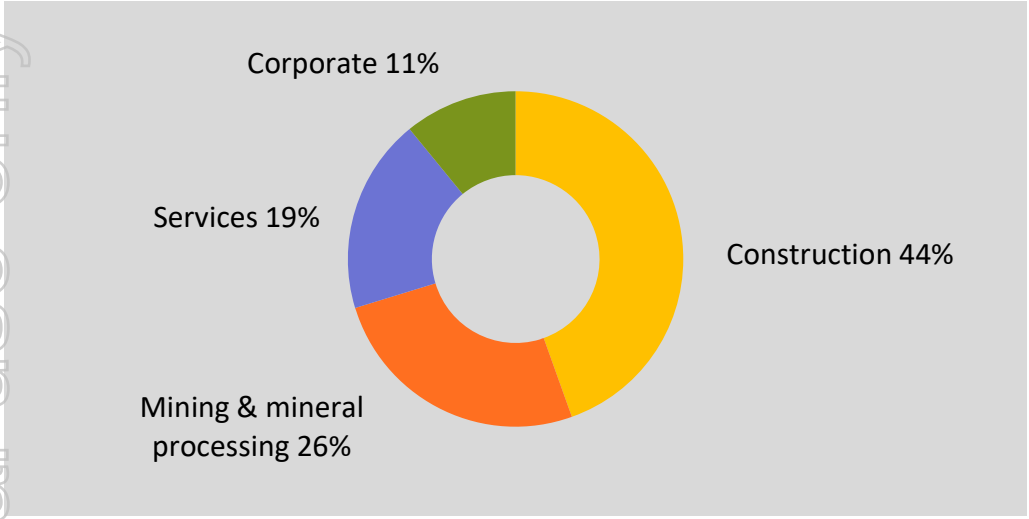
AUCKLAND INTERNATIONAL AIRPORT
NZ$200m, CPB Contractors (May)
Preferred proponent to deliver new and extended taxiways and construct remote stands, by late 2021

* TSD - Tunnel, Stations and Development
# RIS – Rail, Integration and Systems
^CHPP – Coal handling and processing plant

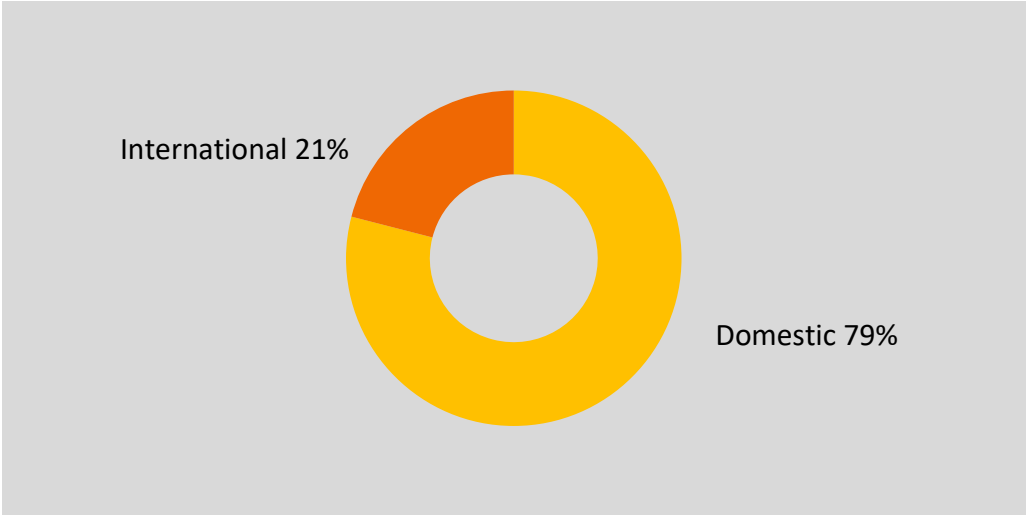
For personal use only

Group revenue by activity and market

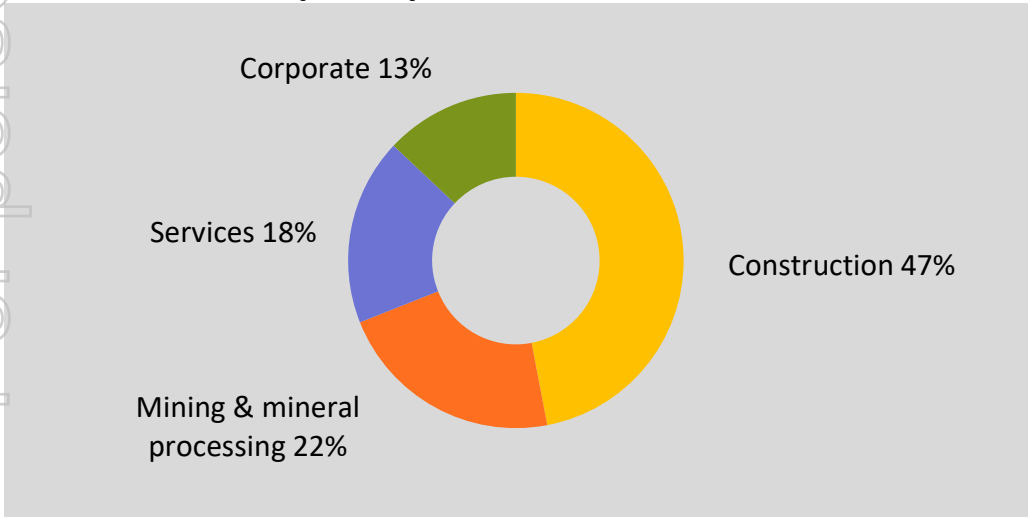
% BY ACTIVITY (HY19)



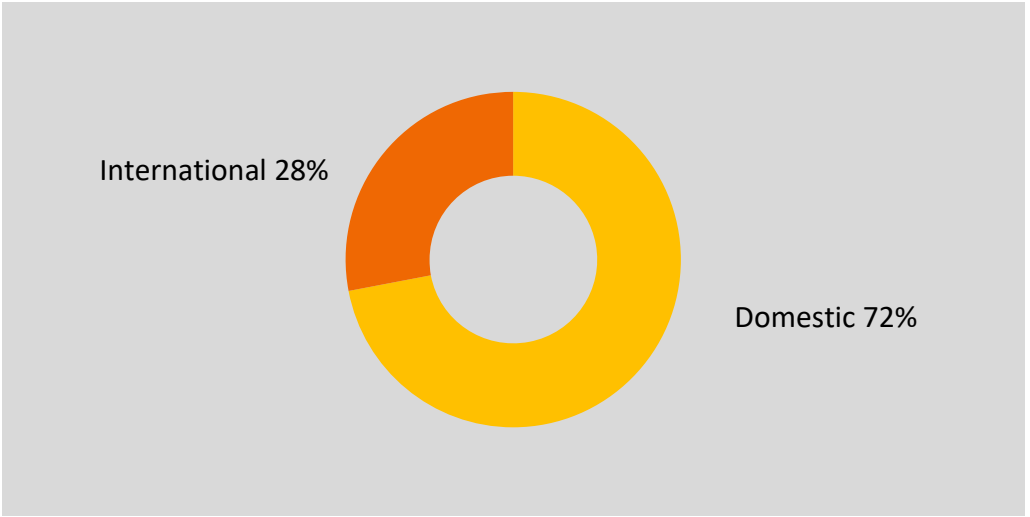
% BY MARKET (HY19)



% BY ACTIVITY (HY18)



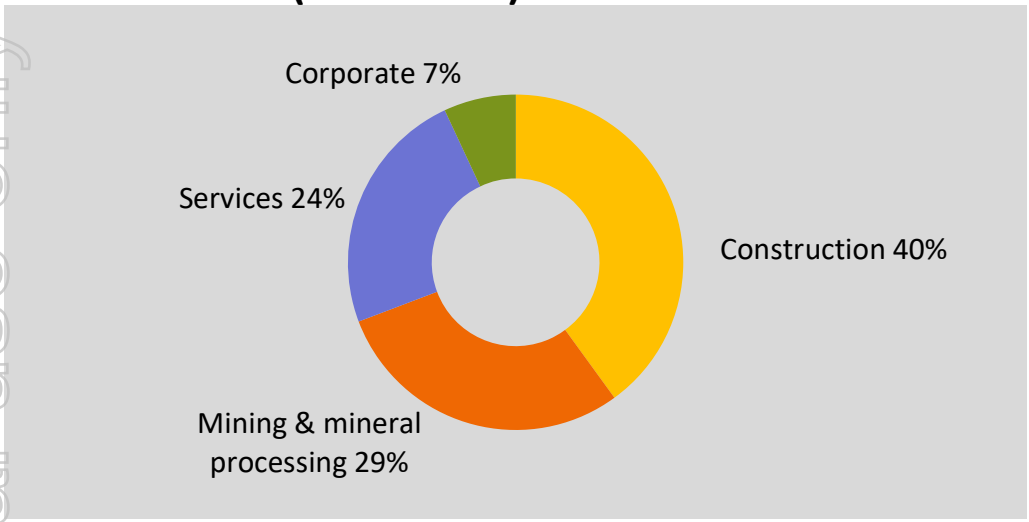
% BY MARKET (HY18)



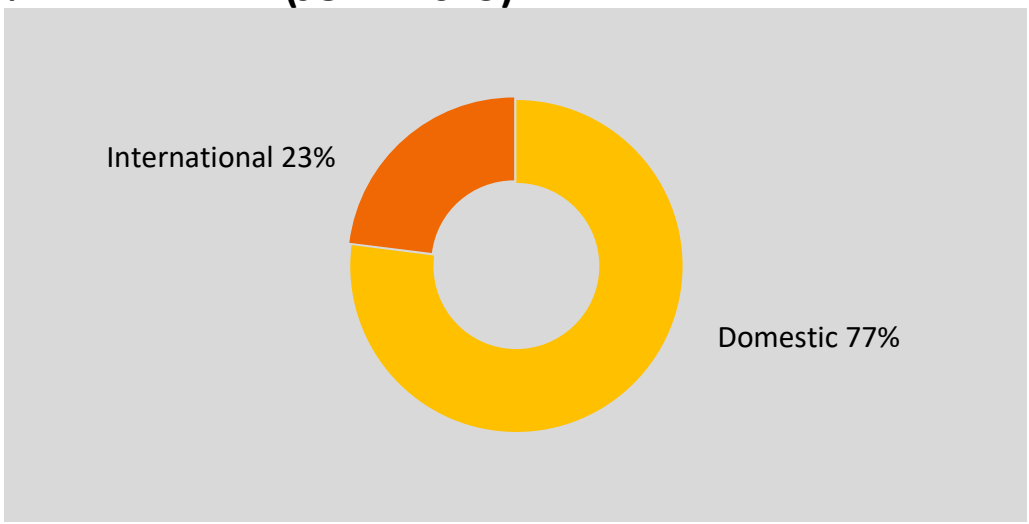
For personal use only

Work in hand by activity and market

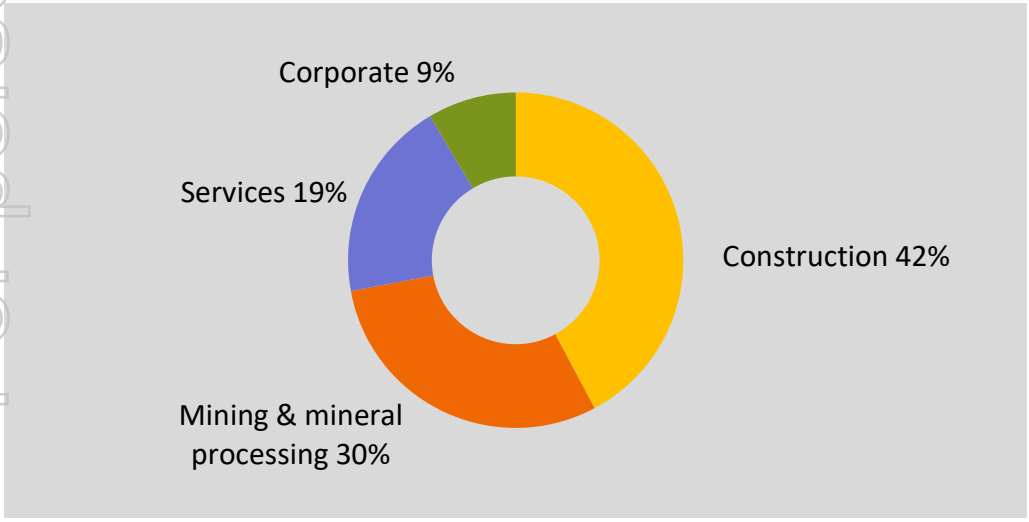
% BY ACTIVITY (JUNE 2019)



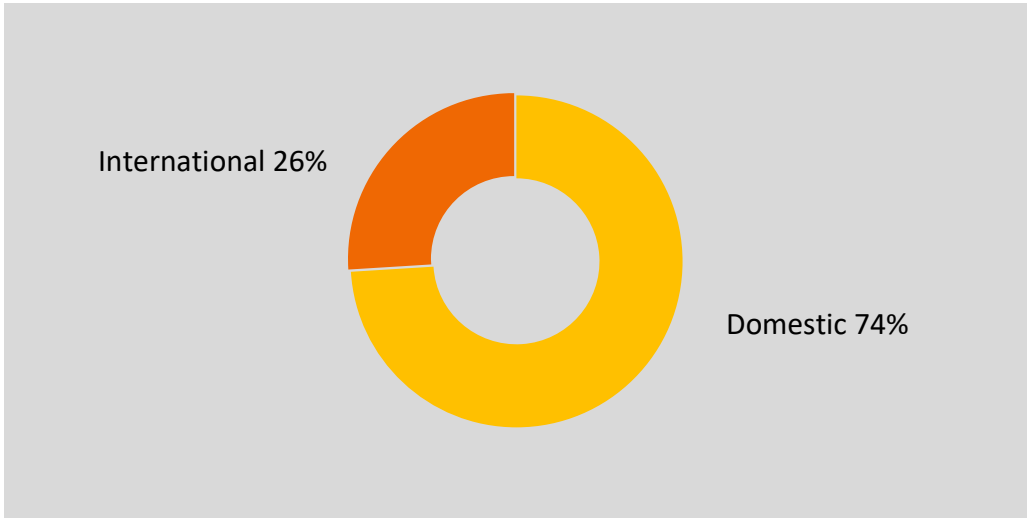
% BY MARKET (JUNE 2019)



% BY ACTIVITY (JUNE 2018)

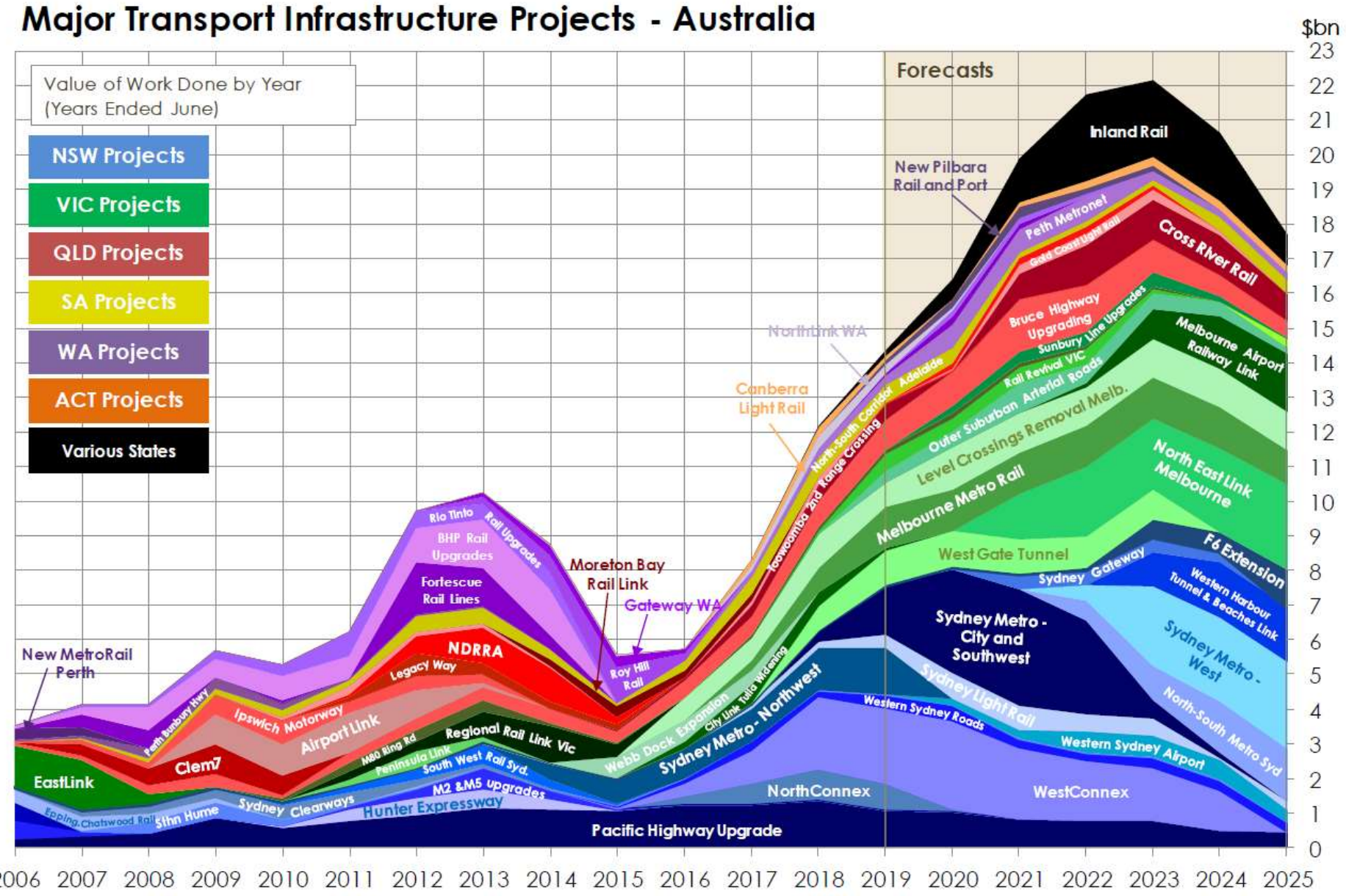


% BY MARKET (JUNE 2018)



For personal use only

Australian transport infrastructure projects – market opportunities



Source: Macromonitor – Australian Construction Outlook Overview, June 2019

For personal use only

CIMIC Group

For personal use only

CIMIC GROUP is an engineering-led construction, mining, services and public private partnerships leader with a history dating back to 1899. We are a family of industry leaders integrating a world of experience and expertise to drive insight, develop future-ready solutions and deliver enduring value across the lifecycle of assets, infrastructure and resources projects.

CONSTRUCTION

CPB CONTRACTORS is a leading international construction contractor with operations spanning Australia, New Zealand, Asia, India and Papua New Guinea. The team delivers major projects spanning all key sectors of the construction industry, including roads, rail, tunnelling, defence, building and resources infrastructure. Working closely with clients and partners, including Pacific Partnerships, our projects connect communities, play a key role in urban and rural development, help drive economic growth, and provide vital, long-term infrastructure. CPB Contractors combines the design and construction expertise and track record formerly delivered by Leighton Contractors and Thiess in Australia and New Zealand.

CPB Contractors includes the people and projects of **LEIGHTON ASIA**, the contractor behind some of Asia's most complex and high-profile infrastructure projects.

It also includes **BROAD** – a leading managing contractor in the Australian building industry delivering diverse commercial construction projects.

MINING

THIESS partners with its clients to deliver excellence in open cut and underground mining in Australia, Asia, Africa and the Americas. For more than 80 years, Thiess has operated in diverse commodities, geologies, environments and cultures. The team uses that insight to optimise solutions for every project, creating real advantages specific to each mine's unique challenges and opportunities. They work with clients to position their operations for optimal efficiency, productivity and cost performance. Expertise and solutions are then brought to life by how Thiess meets its commitments. Sustainable and profitable resource recovery stems from that certainty to create lasting value.

MINERAL PROCESSING

SEDGMAN is a market leader in the design, construction and operation of mineral processing plants and associated mine site infrastructure. With a track record in successful project and operations delivery, Sedgman is focused on realising value for clients through excellence in engineering and innovative solutions. From pre-feasibility and commissioning, to operations, the team has completed close to 200 processing and materials handling projects in diverse and remote locations globally. The team overcomes complex challenges to unlock the full potential of diverse commodities across base and precious metals, industrial minerals, coal and iron ore, delivering outcomes that exceed expectation, on time and on budget.

SERVICES

UGL is a market leader in end-to-end asset solutions. The team's whole-of-life offer delivers operational value and enhanced customer experiences for critical assets in power, water, resources, transport, defence and security, and social infrastructure. Its services-led approach supports real business needs, now and into the future, by connecting clients with leading thinking across all stages of a project's lifecycle. UGL maximises solutions, delivery and end performance, spanning engineering design; construction and commissioning; manufacturing; operations, maintenance and facilities management; upgrades and overhauls; and asset management. Clients minimise interface risk while optimising quality, time and cost outcomes.

PUBLIC PRIVATE PARTNERSHIPS

PACIFIC PARTNERSHIPS develops, invests in and manages social and economic infrastructure concession assets, leveraging CIMIC Group's financial strength and diverse capabilities. The team's project development, technical, commercial and finance expertise transform into seamless, value-for-money solutions for clients. This spans the finance, design, construction, and long-term operations and maintenance of key infrastructure under public private partnership and build own operate transfer structures. Pacific Partnerships is a proactive, collaborative partner to clients, infrastructure users, investors and lenders, building on a corporate history responsible for delivering more than 20 PPPs valued at more than $32 billion.

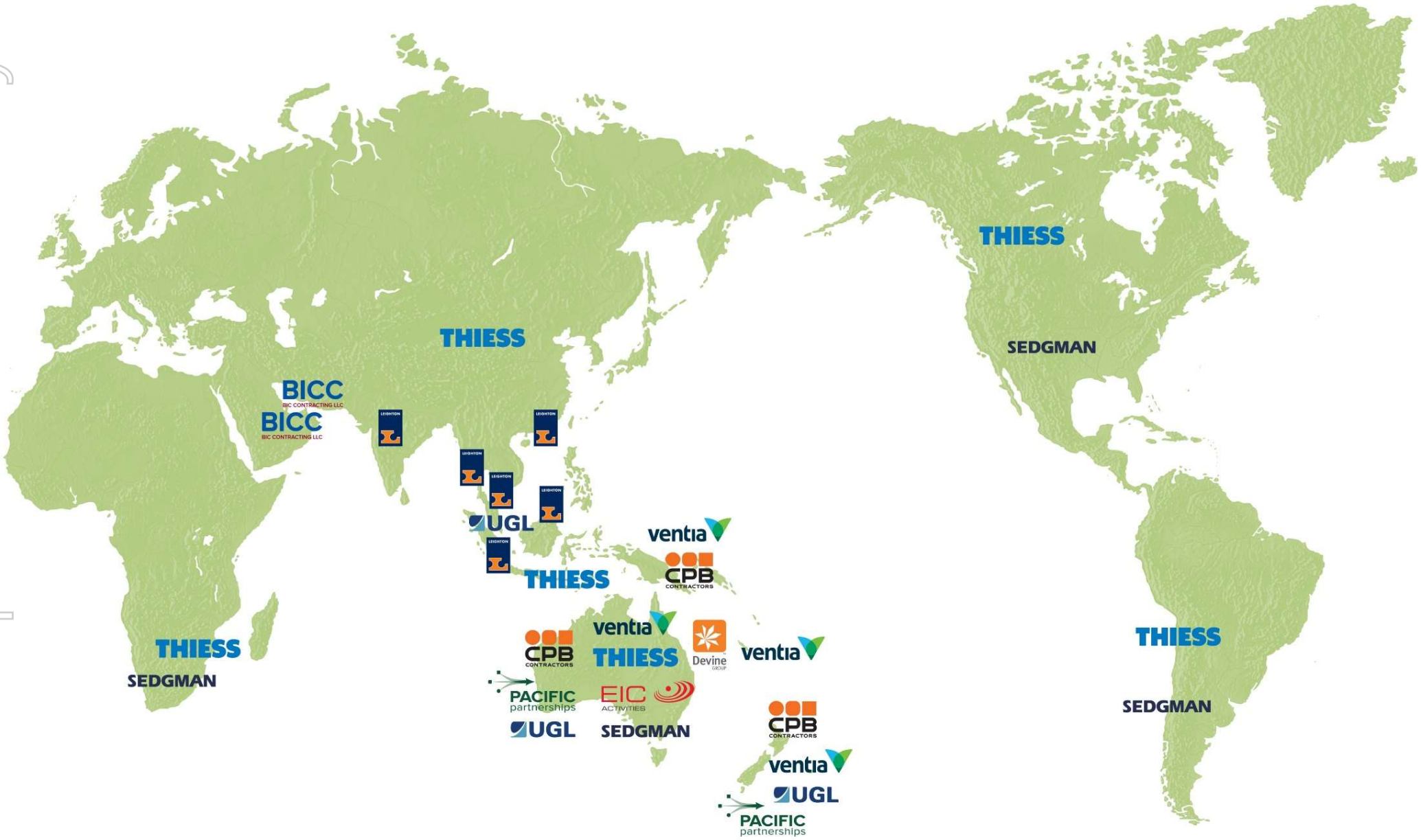
ENGINEERING

EIC ACTIVITIES is CIMIC Group's engineering and technical services business, providing a competitive advantage for winning and delivering profitable projects that generate value for clients. Leading innovation, EIC Activities provides all operating companies with access to the Group's collective experience, technical capabilities and leading technology applications. This continually strengthens the Group by challenging and optimising technical solutions through collaboration and knowledge sharing. EIC Activities brings engineering experts, technical solutions, lean practices and global industry developments – equipping tender and project teams with more levers to innovate, mitigate risk, improve efficiency and drive performance.

OTHER INVESTMENTS

Devine	59.1%
ventia	46.9%
BICC	45.0%

Group market position



For personal use only

F/X rates

End of the period	Jun 2018	Jun 2019	Chg. $	Chg. %
AUD/USD	0.75	0.69	(0.06)	(8.0)%
AUD/EUR	0.64	0.61	(0.03)	(4.7)%
Period average	**HY18**	**HY19**	**Chg. $**	**Chg. %**
AUD/USD	0.75	0.70	(0.05)	(6.7)%
AUD/EUR	0.64	0.62	(0.02)	(3.1)%

For personal use only

[1]Revenue excludes revenue from joint ventures and associates of $1,170.5m (HY18: $1,407.9m)
[2]Margins are calculated on revenue which excludes revenue from joint ventures and associates
[3]Operating cash flow includes cash flow from operating activities and changes in short term financial assets and investments before interest, finance costs and taxes
[4]Free operating cash flow is defined as net operating cash flows less net capital expenditure for property, plant and equipment
[5]Net cash/(debt) includes cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)
[6]WIH includes CIMIC's share of work in hand from joint ventures and associates
[7]New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements
[8]Q3 and Q4 2017 operating cash flows reflect management impact of AASB16 Leases
[9]Restated for the impact of AASB16, the new leasing standard, effective for CIMIC Group onwards from 1 January 2019, and applied retrospectively during 2018. A practical expedient was utilised in applying the standard, certain leases which expired in the period of transition and were therefore not a lease on the date of transition were not required to be restated. As a result certain operating costs were not reclassified to depreciation and interest, hence the full AASB16 impact is not reflected in the transitional previous year's restatement
[10]Gross capital expenditure is payments for property, plant and equipment
[11]Gross capital proceeds are proceeds received from the sale of property, plant and equipment
[12]Relates to the $2.7bn of working capital facilities of which all remains undrawn at 30 June 2019 and bank bonding commitment fees
[13]Net finance costs include interest income, finance costs and finance costs for leased assets
[14]Total interest bearing liabilities
[15]Corporate work in hand includes work in hand from CIMIC's share of investments such as Ventia and BICC

Definitions

- ✓ 1Q18, 2Q18, 3Q18 & 4Q18 – Three months to March 2018, June 2018, September 2018 and December 2018 respectively
- ✓ 1Q19, 2Q19, 3Q19 & 4Q19 – Three months to March 2019, June 2019, September 2019 and December 2019 respectively
- ✓ bn – Billion
- ✓ bp – Basis points
- ✓ cps – Cents per share
- ✓ D&A – Depreciation and amortisation
- ✓ EBIT – Earnings before net finance costs and tax
- ✓ EBITDA – Earnings before net finance costs, tax, depreciation and amortisation
- ✓ EPS – Earnings per share (basic)
- ✓ FY – Full year from January to December
- ✓ HY – Half year from January to June
- ✓ LTM – Last 12 months
- ✓ m – Million
- ✓ NPAT – Net profit after tax
- ✓ PBT – Profit before tax
- ✓ PPP – Public Private Partnership
- ✓ QOQ – Quarter on quarter
- ✓ WIH – Work in hand
- ✓ YOY – Year on year

For personal use only

Disclaimer

This presentation, and any oral presentation accompanying it:

- is not an offer, invitation, inducement or recommendation to purchase or subscribe for any securities in CIMIC Group Limited ("CIMIC") or to retain any securities currently held;
- is for information purposes only, is in summary form and does not purport to be complete - the Management Commentary and Appendix 4D within the Consolidated Interim Financial Report lodged provides statutory disclosures and details of the CIMIC financial position;
- is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor, potential investor or any other person. Such persons should consider seeking independent financial advice depending on their specific investment objectives, financial situation or needs when deciding if an investment is appropriate or varying any investment; and
- contains forward looking statements. These statements reflect the current views, expectations and assumptions of the board of directors of CIMIC and are based on information currently available to the Board, involve risks and uncertainties and do not guarantee future results, performance or events. Any forward looking statements have been prepared on the basis of a number of assumptions which may prove to be incorrect or involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of CIMIC, which may cause actual results, performance or achievements to differ materially from those expressed or implied in the statements. There can be no assurance that actual outcomes will not differ materially from these statements. Any forward looking statement reflects views held only as at the date of this presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, CIMIC does not undertake to nor is it under any obligation to, publicly update or revise any of the forward looking statements or change in events, conditions or circumstances on which any such statement is based.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation and any oral presentation accompanying it. To the maximum extent permitted by law, CIMIC and its related bodies corporate, and their respective directors, officers, employees, agents and advisers, will not be liable (including, without limitation, any liability arising from fault or negligence) for any loss, damage, claim, demand, cost and expense of whatever nature arising in any way out of or in connection with this presentation and any oral presentation accompanying it, including any error or omission therefrom, or otherwise arising in connection with any reliance by any person on any part of this presentation and any oral presentation accompanying it.

For personal use only