

18 JULY 2018**SIGNIFICANT GROWTH IN HY18 NPAT, UP 12% YOY¹ TO \$363M****SUBSTANTIAL INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES², UP 17% YOY TO \$724M; LTM³ EBITDA CONVERSION RATE 102%****STRONG NET CASH POSITION, UP \$691M YOY TO \$1.3BN****SOLID REVENUE⁴ GROWTH, UP 11% YOY TO \$6.9BN****SUSTAINED WIH⁵ OF \$34.8BN, NEW WORK OF \$7.1BN; EXTENSIVE PIPELINE****2018 NPAT GUIDANCE OF \$720M TO \$780M CONFIRMED**

CIMIC Group has reported increased revenue and cash-backed profit for the six months to 30 June 2018, continuing its focus on delivering sustainable returns.

Highlights of the result compared with HY17 are:

- Significant growth in NPAT, up 12% to \$363 million
- Solid revenue growth across all Operating Companies, up 11% to \$6.9 billion
- Strong EBIT, PBT and NPAT margins⁶ of 7.7%, 7.3% and 5.2% respectively
- Half year dividend of 70cps, up 17%, fully franked, to be paid on 4 October 2018
- Substantial increase in cash flow from operating activities up 17% to \$724 million; \$1.6 billion in LTM. EBITDA conversion rate of 102% in LTM
- Free operating cash flow⁷ of \$1.1 billion in LTM
- Balance sheet further strengthened, with a strong net cash position of \$1.3 billion, up \$691 million
- Robust order book with work in hand of \$34.8 billion, Operating Companies' work in hand up \$2.1 billion
- Guidance confirmed for 2018 NPAT in the range of \$720 million to \$780 million, subject to market conditions.

¹ Year on year performance during six-month period to 30 June 2018 compared to the six-month period to 30 June 2017.

² Cash flows from operating activities before interest, finance costs, taxes and dividends received.

³ Last 12 months.

⁴ Revenue excludes revenue from joint ventures and associates and interest income.

⁵ Work in hand includes CIMIC's share of work in hand from joint ventures and associates.

⁶ Margins are calculated on revenue which excludes revenue from joint ventures and associates.

⁷ Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: “CIMIC’s strong performance continued during the period, with substantial growth in all key indicators. We achieved double-digit increases in revenue and profit during the first half, and the pace of growth in work in hand accelerated in the second quarter.

“We maintained our focus on the sustainability of CIMIC’s performance and competitiveness, including by pursuing opportunities to optimise our processes and operations through digitisation and innovation. Innovation will help to make CIMIC an even more efficient performer and further improve risk management and safety.”

CIMIC Group Chief Executive Officer Michael Wright said: “Reducing complexity and cost from our operating model is an ongoing focus at CIMIC, assisting us to maintain consistent margins. Combined with a solid operating performance across our construction, mining and mineral processing, services and public private partnership segments, we are in a strong position.

“We continue to invest in attracting, retaining and developing talented people to further build a performance-based culture that delivers value for clients and shareholders.”

CIMIC Group announced several important projects, in Australia and abroad, during the period including:

- \$830 million in contract extensions at the QCoal Northern Hub, Dawson South and Curragh coal mines, Queensland;
- \$670 million in contract extensions at the Wahana, Satui and Senakin coal mines, Indonesia;
- \$550 million to provide additional mining services at the Rocky’s Reward nickel mine, and the Mt Arthur and Mt Owen coal mines, Western Australia and New South Wales respectively;
- \$380 million to design and construct the tunnel and infrastructure works as part of the North-South Transport Corridor project, Singapore;
- \$260 million to construct infrastructure works for the South Flank project, Western Australia;
- \$182 million to construct the Cavite Laguna Expressway project (Cavite section), Philippines;
- \$170 million to build and maintain the Tailem Bend Solar Farm, South Australia; and
- confirmation as preferred partner to deliver the Waikeria Correction and Treatment Facility PPP project, New Zealand.

Relevant to CIMIC Group there are \$80 billion of tenders still to be bid and/or awarded during the rest of 2018; and around \$330 billion of projects coming to the market in 2019 and beyond, including about \$100 billion worth of PPP projects.

Mr Fernández Verdes said: “There is an extensive pipeline of opportunities in our core markets, with construction and services work to be boosted by the strong PPP pipeline, and mining further strengthening. This positive outlook supports our guidance, and our sound balance sheet and strong net cash position provide flexibility to pursue strategic growth initiatives, capital allocation opportunities and sustained shareholder returns.”

Refer to ‘Analyst and Investor Presentation’ for further information.

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Contacts

Mr Justin Grogan, Investor Relations T+61 2 9925 6628

Ms Fiona Tyndall, General Manager Communications T+61 2 9925 6188

CIMIC Group Limited (ASX: CIM) is a world-leading infrastructure, mining, services and public private partnerships group. We have businesses in construction (CPB Contractors and Leighton Asia), mining and mineral processing (Thiess and Sedgman), operation and maintenance services (UGL), public private partnerships (Pacific Partnerships) and engineering (EIC Activities). Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and more than 50,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 100 index, the Dow Jones Sustainability Australia Index and FTSE4Good.