

23 OCTOBER 2018**SOLID FINANCIAL PERFORMANCE WITH 9M18 NPAT UP
13% YOY¹ TO \$564M****CONSISTENTLY STRONG CASH GENERATION:****CASH FLOW FROM OPERATING ACTIVITIES² OF
\$1.1BN, UP 16% YOY****LTM³ EBITDA CONVERSION RATE OF 101%****NET CASH OF \$1.2BN, UP \$595M YOY****CONTINUED REVENUE⁴ GROWTH, UP 11% YOY TO
\$10.7BN****ORDER BOOK⁵ OF \$35BN, NEW WORK OF \$11.8BN;
EXTENSIVE PIPELINE****2018 NPAT GUIDANCE OF \$720M TO \$780M CONFIRMED**

CIMIC Group reported continued growth in revenue and profit for the nine months to 30 September 2018, and recorded increased work in hand.

Highlights of the result compared with the same period during 2017 were:

- Solid financial performance with NPAT up 13% to \$564 million
- All Operating Companies contributing to revenue growth, up 11% to \$10.7 billion
- Stable EBIT, PBT and NPAT margins⁶ of 7.7%, 7.2% and 5.3% respectively
- Consistently strong cash generation, with cash flow from operating activities up 16% to \$1.1 billion; \$1.7 billion in LTM. EBITDA cash conversion rate of 101% in LTM
- Free operating cash flow⁷ of \$572 million; \$1.1 billion in LTM
- Strong balance sheet, with a net cash position of \$1.2 billion, up \$595 million YOY
- Order book of \$35 billion; Operating Companies' work in hand up \$1 billion YOY
- Guidance confirmed for 2018 NPAT in the range of \$720 million to \$780 million, subject to market conditions.

¹ Year on year performance during nine-month period to 30 September 2018 compared to the nine-month period to 30 September 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.

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 continued to perform well during the nine months to 30 September, reporting consistent growth in revenue and profit.

“We also achieved strong cash generation, and cash conversion of 101% during the last 12 months.

“The sustained performance of our integrated model and the pipeline of major projects ahead positions us well to meet 2018 guidance, and provides a positive outlook beyond this year.”

CIMIC Group Chief Executive Officer Michael Wright said: “The success of our strategy of providing end-to-end capabilities for our clients is reflected in the new work won across our Operating Companies during the period.

“We reached contractual close on the Waikeria Corrections and Treatment Facility Public Private Partnership (PPP), using the technical and operational expertise of CPB Contractors, and our financial strength through Pacific Partnerships to provide a whole-of-life solution.

“We also delivered an integrated approach for Victoria’s Metro Tunnel project, combining our rail expertise in CPB Contractors, UGL and EIC Activities to deliver the project as the premier rail services provider.

“In mining, we secured an extension at Encuentro in Chile, building on Thiess’ establishment in the country three years ago and providing a platform for further growth.”

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

- \$1.3 billion in construction projects in Australia, New Zealand and Asia;
- \$722 million in mining contracts in Australia and South America;
- \$594 million in mineral processing contracts in South Africa and the USA; and
- \$260 million in asset maintenance and services contracts in Australia.

Relevant to CIMIC Group there are \$35 billion of tenders still to be bid and/or awarded during the rest of 2018; and around \$375 billion of projects coming to the market in 2019 and beyond, including about \$110 billion worth of PPP projects.

Mr Fernández Verdes said: “The outlook is positive across our core markets, with the expanding pipeline of PPPs boosting opportunities in construction and services, and continued strengthening in mining and mineral processing. Our strong balance sheet provides the flexibility to pursue strategic growth initiatives, capital allocation opportunities and to sustain shareholder returns.”

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

ENDS

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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.