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11 May 2020

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

Q12020 ANALYST AND INVESTOR PRESENTATION

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully
CIMIC GROUP LIMITED

Company Secretary

ANALYST AND INVESTOR PRESENTATION

1Q RESULTS 2020



Marcelino Fernández Verdes, Executive Chairman
Juan Santamaria, Chief Executive Officer
Stefan Camphausen, Chief Financial Officer



CIMIC Group's UGL secures \$450m in oil & gas maintenance contracts in Western Australia and Victoria

11 May 2020

Refer to 'ASX/Media Release' for further information

Authorised by the CIMIC Group Board

integrity accountability innovation delivery | SAFETY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

1Q20 Financial Overview



NPAT of \$166m for 1Q20

- ✓ Revenue¹ of \$3.3bn, compared to \$3.4bn in 1Q19
- ✓ Robust operating profit², PBT and NPAT margins³ of 8.4%, 6.9% and 5.0% respectively

Generated operating cash flow⁴ pre-factoring of \$1.6bn in LTM

- ✓ Delivered 76% EBITDA cash conversion⁵ pre-factoring in LTM, compared to 38% in 1Q19; factoring balance down \$203m YOY
- ✓ Strict focus on managing working capital and generating sustainable cash-backed profits

Net (debt)/cash⁶ of \$(991)m, \$462m (excl. BICC), reduction YTD driven by operational seasonality

- ✓ Strong liquidity with gross cash⁷ of \$4.5bn, debt repayments of less than \$0.2bn due in next 12 months
- ✓ Net cash includes the impact of Middle East exit of \$1.45bn gross of tax
- ✓ Solid investment grade credit ratings reaffirmed by Moody's (Baa2/Stable) and S&P (BBB/Stable/A-2) in January 2020, after the announcement to exit the Middle East

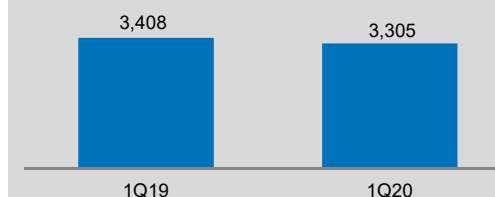
Work in hand⁸ of \$36.1bn, equivalent to more than two years' worth of revenue, provides good visibility

- ✓ Awarded new work⁹ of \$2.5bn in 1Q20; bidding discipline maintained
- ✓ As at 31 March 2020, around \$90bn of tenders relevant to CIMIC were expected to be bid and/or awarded for the remainder of 2020, and around \$400bn of projects were coming to the market in 2021 and beyond
- ✓ Includes around \$130bn of PPP opportunities identified for the remainder of 2020 and beyond

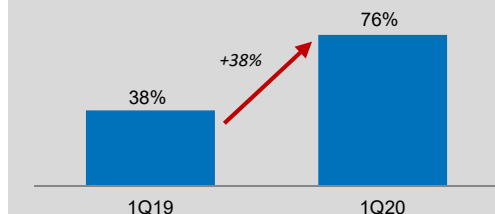
Outlook across the Group's core markets remains positive, monitoring shorter-term impacts

- ✓ Once we have better visibility of the consequences of COVID-19 on the business, we will provide an update to 2020 profit guidance, if required
- ✓ Mining market proving resilient; stimulus packages announced by governments in core Construction and Services markets with additional opportunities through strong PPP pipeline
- ✓ Disciplined focus on sustaining a strong balance sheet, generating cash, and a rigorous approach to tendering, project delivery and risk management

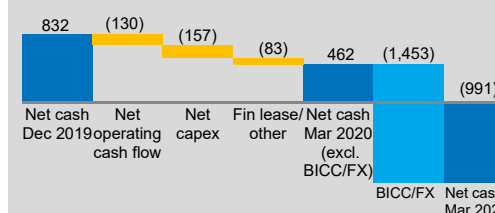
Revenue (\$m)



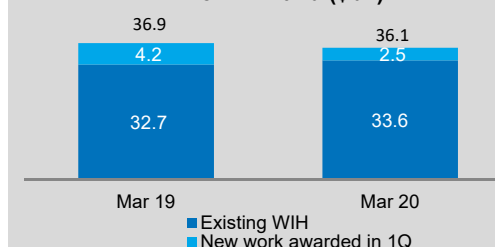
EBITDA conversion pre-factoring LTM (%)



Movement in net cash Mar 20 (\$m)



Work in hand (\$bn)

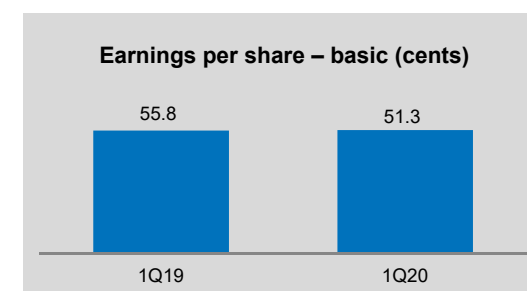
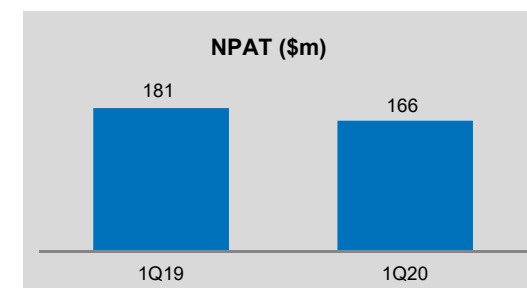
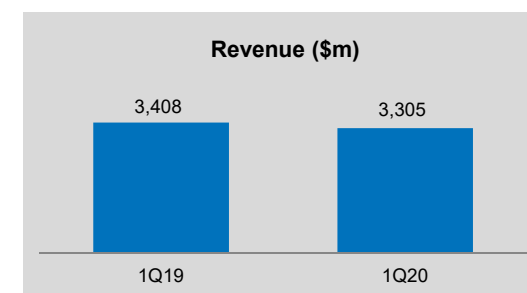


NPAT of \$166m for 1Q20



- ✓ Revenue¹ of \$3.3bn, compared to \$3.4bn in 1Q19
- ✓ Robust operating profit², PBT and NPAT margins³ of 8.4%, 6.9% and 5.0% respectively
- ✓ Increase in net finance costs mainly due to increased debt to fund BICC payments
- ✓ No significant one-off impacts

Financial performance (\$m)	1Q19	1Q20	Chg. %
Revenue	3,407.7	3,305.0	(3.0)%
EBITDA	502.3	521.3	3.8%
<i>EBITDA margin</i>	<i>14.7%</i>	<i>15.8%</i>	<i>110bp</i>
D&A	(224.1)	(242.5)	8.2%
Operating profit	278.2	278.8	0.2%
<i>Operating profit margin</i>	<i>8.2%</i>	<i>8.4%</i>	<i>20bp</i>
Net finance costs	(30.5)	(50.8)	66.6%
Profit before tax	247.7	228.0	(8.0)%
<i>PBT margin</i>	<i>7.3%</i>	<i>6.9%</i>	<i>(40)bp</i>
Income tax	(66.9)	(66.1)	(1.2)%
<i>Effective tax rate</i>	<i>27.0%</i>	<i>29.0%</i>	<i>200bp</i>
Non-controlling interests	0.3	4.1	-
NPAT	181.1	166.0	(8.3)%
<i>NPAT margin</i>	<i>5.3%</i>	<i>5.0%</i>	<i>(30)bp</i>
EPS (basic) – NPAT	55.8c	51.3c	(8.1)%



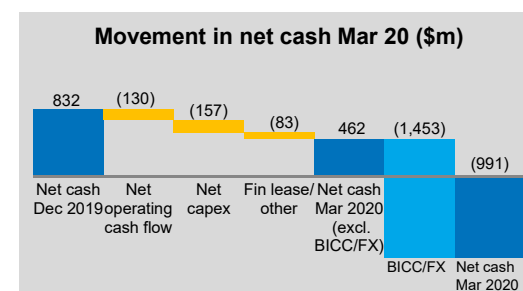
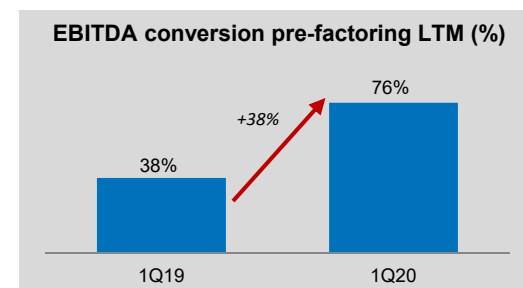
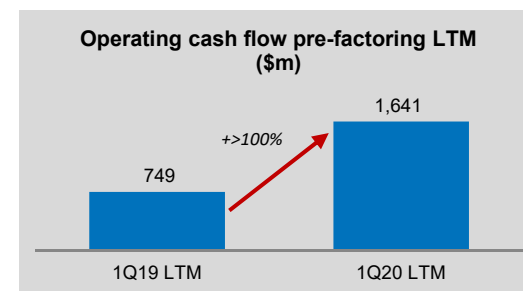
Operating cash flow pre-factoring of \$1.6bn in LTM



- ✓ Operating cash flow pre-factoring increased by \$892m in LTM, factoring balance down by \$203m YOY
- ✓ Delivered 76% EBITDA cash conversion⁵ pre-factoring in LTM; increased from 38% in 1Q19
- ✓ 1Q seasonality, as well as new work with a different working capital profile and growth in Mining, impacting the conversion rate
- ✓ Stable investment in capital expenditure to sustain Mining operations and to deliver job-costed tunnelling opportunities
- ✓ Strict focus on managing working capital and generating sustainable cash-backed profits

Cash flow (\$m)	1Q19	1Q20	Chg. %	1Q20 LTM
Operating cash flow pre-factoring	50.1	(16.3)	-	1,640.6
Variation in factoring	200.0	(10.3)	-	(203.0)
Operating cash flow⁴	250.1	(26.6)	-	1,437.6
Interest, finance costs and taxes	(70.9)	(103.2)	45.6%	(496.1)
Net operating cash flow	179.2	(129.8)	-	941.5
Gross capital expenditure ¹⁰	(165.2)	(162.9)	(1.4)%	(772.1)
Gross capital proceeds ¹¹	4.9	5.7	16.3%	23.3
Net capital expenditure	(160.3)	(157.2)	(1.9)%	(748.8)
Free operating cash flow¹²	18.9	(287.0)	-	192.7

EBITDA conversion (\$m)	1Q19 LTM	1Q20 LTM
EBITDA (a) ⁵	1,994.7	2,165.7
Operating cash flow (b) ⁴	2,148.8	1,437.6
EBITDA conversion (b)/(a)⁵	108%	66%
Operating cash flow pre-factoring (c)	748.8	1,640.6
EBITDA conversion pre-factoring (c)/(a)⁵	38%	76%



Strong liquidity with gross cash of \$4.5bn



- ✓ Debt repayments of less than \$0.2bn due in next 12 months
- ✓ Net cash includes the impact of Middle East exit of \$1.45bn gross of tax
- ✓ Net contract debtors increase reflects seasonality and growth in Mining and Australian projects with a different working capital profile
- ✓ \$675m contract debtors portfolio provision remains unchanged
- ✓ Factoring balance of \$1.95bn (versus \$1.96bn at December 2019 and reduced by \$203m YOY), providing an efficient tool to manage liquidity
- ✓ Supply Chain Finance balance of \$598m versus \$851m at December 2019, showing a strong decline during 1Q20; Supply Chain Finance program under review
- ✓ Solid investment grade credit ratings reaffirmed by Moody's (Baa2/Stable) and S&P (BBB/Stable/A-2) in January 2020, after the announcement to exit the Middle East
- ✓ Cost of debt down 110bp YOY to 2.8%

Net cash/(debt) (\$m)	Dec 2019	Mar 2020	BICC/FX ¹³	Mar 2020 (excl. BICC)
Cash and equivalent liquid assets ⁷	1,754.5	4,451.0	1,452.9	5,903.9
Gross debt	(922.9)	(5,442.4)	-	(5,442.4)
Net cash/(debt)⁶	831.6	(991.4)	1,452.9	461.5

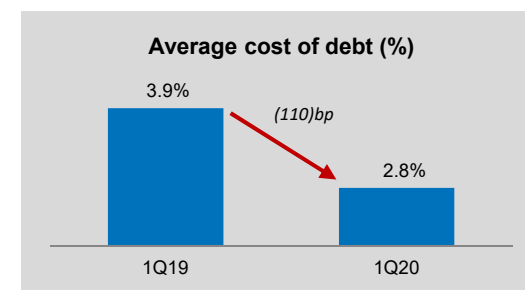
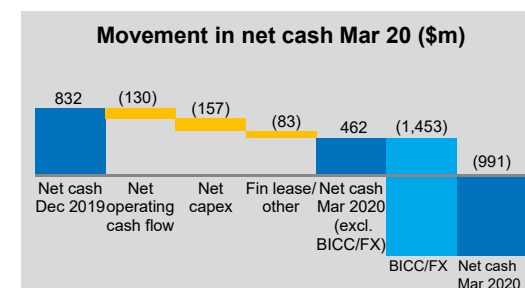
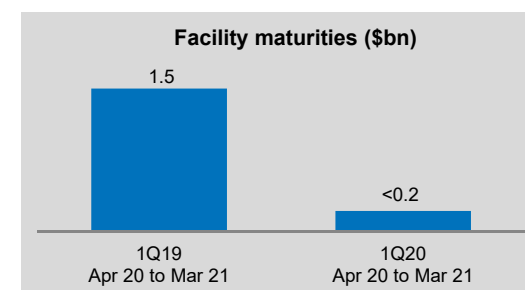
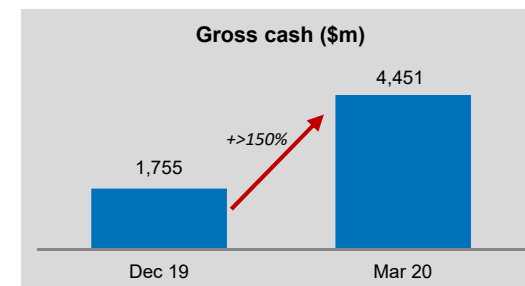
Net contract debtors (\$m)	Mar 2019	Mar 2020
Net contract debtors	1,374.4	1,537.0

Finance cost detail (\$m)	1Q19	1Q20
Debt interest expenses	(14.2)	(21.3)
Facility fees, bonding and other costs ¹⁴	(31.5)	(37.8)
Total finance costs	(45.7)	(59.1)
Interest income	15.2	8.3

Net finance costs¹⁵	(30.5)	(50.8)
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Finance cost detail (\$m)	1Q19	1Q20
Debt interest expenses (a)	(14.2)	(21.3)
Gross debt ¹⁶ at period end	524.7	5,442.4
Gross debt period average (b)	1,457.5	3,097.3

Average cost of debt ($\frac{-ax^4}{b}$)	3.9%	2.8%
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Work in hand of \$36bn, pipeline up by 14% YOY

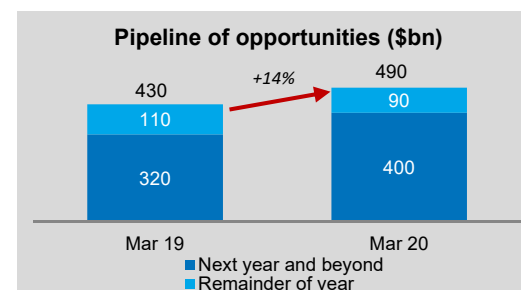
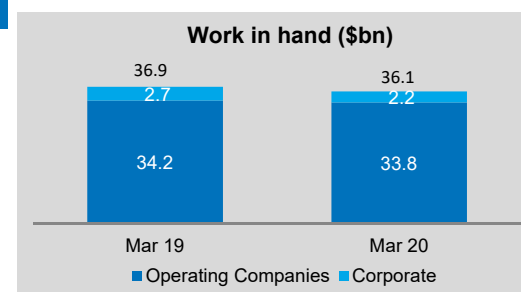
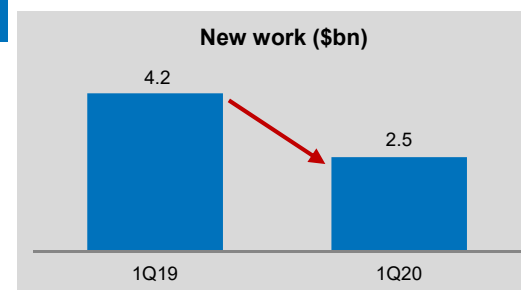


Work in hand⁸ of \$36.1bn, equivalent to more than two years' worth of revenue, provides good visibility

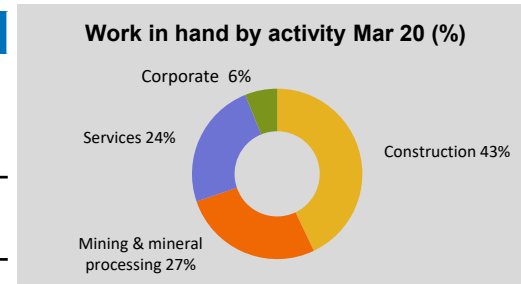
- ✓ Awarded new work⁹ of \$2.5bn in 1Q20; bidding discipline maintained
- ✓ Contracts awarded in 1Q20 included:
 - Port Wakefield to Port Augusta Regional Projects Alliance (RPA), SA
 - South Gippsland Highway Upgrade, VIC
 - Mackay Northern Access Upgrade, QLD
 - Several services contracts in the rail sector, Australia
 - Several maintenance contracts in the mining, oil and gas sectors, Australia

Pipeline of opportunities increased 14% YOY

- ✓ As at 31 March 2020, around \$90bn of tenders relevant to CIMIC were expected to be bid and/or awarded for the remainder of 2020, and around \$400bn of projects were coming to the market in 2021 and beyond
- ✓ Includes around \$130bn of PPP opportunities identified for the remainder of 2020 and beyond
- ✓ In addition, stimulus packages announced by governments in core Construction and Services markets with additional opportunities through strong PPP pipeline
- ✓ Some major projects that CIMIC is currently bidding include:
 - Western Harbour Tunnel and Warringah Freeway Upgrade, NSW
 - Sydney Metro Greater West – North South Rail Link Stage 1 PPP, NSW
 - M6 Stage 1 (Arncliffe to Kogarah), NSW
 - Inland Rail (Gowrie to Kagaru section) PPP, QLD
 - Lake Vermont mining extension, QLD
 - Third Runway Concourse and Apron Works, Hong Kong
 - Terminal 2 Expansion Works, Hong Kong
 - KPC mining extension 2022, Indonesia
 - Numerous other mining and processing opportunities in Australia and South America
- ✓ Notwithstanding the short-term impacts from the evolving COVID-19 situation, outlook across the Group's core markets remains positive



Work in hand (\$m) as at	Mar 19	Mar 20	Chg. %	Dec 19
Construction	14,469	15,473	6.9%	16,229
Mining & mineral processing	11,700	9,681	(17.3)%	10,143
Services	8,031	8,695	8.3%	8,944
Operating Companies' work in hand	34,200	33,849	(1.0)%	35,316
Corporate ¹⁷	2,681	2,212	(17.5)%	2,195
Total work in hand	36,881	36,061	(2.2)%	37,511



APPENDICES



Value of Work Done by Year (Years Ended June)				





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.

MINERALS 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 30 PPPs valued at more than \$60 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



59.1%



46.9%

Group market position



F/X rates



End of the period	Mar 2019	Mar 2020	Chg. \$	Chg. %
AUD/USD	0.71	0.62	(0.09)	(12.7)%
AUD/EUR	0.63	0.55	(0.08)	(12.7)%
Period average	1Q19	1Q20	Chg. \$	Chg. %
AUD/USD	0.71	0.62	(0.09)	(12.7)%
AUD/EUR	0.63	0.55	(0.08)	(12.7)%

¹Revenue excludes revenue from joint ventures and associates of \$611.2m (1Q19: \$642.6m)

²Operating profit is EBIT adjusted for any one-off items. No one-off items in 1Q20 or 1Q19

³Margins are calculated on revenue which excludes revenue from joint ventures and associates

⁴Operating cash flow includes cash flow from operating activities and changes in short term financial assets and investments before interest, finance costs and taxes

⁵EBITDA cash conversion and EBITDA in 1Q20 LTM does not include any gains/(losses) recognised as a result of the Group's financial investment in BICC and exit from the Middle East region recognised in 4Q19

⁶Net cash/(debt) includes cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

⁷Gross cash represents cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

⁸WIH includes CIMIC's share of work in hand from joint ventures and associates

⁹New work includes new contracts and contract extensions and variations, including the impact of foreign exchange rate movements

¹⁰Gross capital expenditure is payments for property, plant and equipment

¹¹Gross capital proceeds are proceeds received from the sale of property, plant and equipment

¹²Free operating cash flow is defined as net operating cash flow less net capital expenditure for property, plant and equipment

¹³Payments for Middle East exit of \$1.45bn gross of tax included in statutory net cash

¹⁴Relates to the \$2.2bn of working capital facilities of which \$0.3bn is undrawn at 31 March 2020 and bank bonding commitment fees

¹⁵Net finance costs include interest income and finance costs

¹⁶Total interest bearing liabilities

¹⁷Corporate work in hand includes work in hand from CIMIC's share of investments of Ventia

Definitions

- ✓ 1Q19, 2Q19, 3Q19 & 4Q19 – Three months to March 2019, June 2019, September 2019 and December 2019 respectively
- ✓ 1Q20, 2Q20, 3Q20 & 4Q20 – Three months to March 2020, June 2020, September 2020 and December 2020 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)

- ✓ Excl - excluding
- ✓ 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
- ✓ WIH – Work in hand
- ✓ YOY – Year on year

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